DOCUMENT RESUME

ED 044 216 RC 004 789

AUTHOR	McCrorie, James N.
TITLE	ARDA: An Experiment in Development Planning.
SPONS AGENCY	Canadian Council on Rural Development, Ottawa (Ontario).
REPORT NO	Spec-Stud-2
PUB DATE	69
NOTE	116p.
EDRS PRICE	EDRS Price MF-$0.50 HC-$5.90
DESCRIPTORS	Agriculture, Bureaucracy, *Economic Development, *Federal Legislation, Interagency Planning, *Planning, Program Development, *Rural Areas, *Rural Development, Socioeconomic Background, Tables (Data)
IDENTIFIERS	*Canada

ABSTRACT

A study of the nature and functions of Canada's Agricultural and Rural Development Act (ARDA) and related legislation at federal and provincial levels is presented. The study was commissioned in September of 1966 by the Canadian Council on Rural Development for the purpose of encouraging a greater public understanding of the assumptions, concepts, and mechanics of government regional development and planning through ARDA and related legislation. Main topics of discussion include assumptions and concept of the ARDA, responses of the provinces, variations of programming, and comprehensive regional planning. Conclusions relating to ARDA, regional development, comprehensive planning, and bureaucracy are given. The document contains a bibliography. (AL)

special study no. 2

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ARDA:
AN EXPERIMENT IN DEVELOPMENT PLANNING

by James N. McCrorie

prepared for the
Canadian Council on
Rural Development

RC004789

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CHAPTER I
INTRODUCTION

SUMMARY

Purpose of the Study
Nature of the Study
Outline of the Report
Acknowledgements

PURPOSE OF THE STUDY

Rural poverty in Canada has become a timely topic of conversation. Its presence is affirmed, not denied. Like sin, the nation is opposed to it - at least in public. It studies it, discusses it, laments it, occasionally understands it, makes plans and spends money to further understand it, and sometimes tries to do something about it.

The Agricultural and Rural Development Act is a case in point. Or, is it? What is the legislation all about? What promise does it hold for coping with poverty and resource development in rural areas? Can it work? Is it being effective? These and other questions come to mind, and relate, in a general way, to the purpose of this study.

The study, in effect, is a case study of government planning and regional development. It attempts to examine the nature and function of ARDA and related legislation at the federal and provincial levels; and it describes and comments on the experience with the Legislation to date.

NATURE OF THE STUDY

The study was commissioned in September of 1966 by the Canadian Council on Rural Development for the purpose of encouraging a greater public understanding of the assumptions, concepts and mechanics of government regional development and planning through ARDA and related legislation.

The nature of the study can be best described by examining its limitations. First, the experience with ARDA to date has been dynamic. In some cases, the activities of 1961, when the Federal Legislation was first introduced, bear little resemblance to what has been taking place in 1967 and 1968.

A prodigious amount of interviewing, studying government reports, records and legislation, would presumably lend some insight to the ARDA experience at both the federal and provincial levels. Yet, it must be acknowledged that, during the course of the study, events were, in some cases, fast outstripping the evidence gathered.[1]

For example, the Federal ARDA machinery has undergone considerable change since the federal component of the study was completed in January of 1967. The development strategy emerging in Newfoundland, in the summer of 1967, became a datum of history by the fall of that year. When we were discussing the development plan of the *Bureau d'aménagement de l'est du Quebec* (BAEQ), in Quebec city, in February of 1968, provincial negotiators were meeting with their counterparts in Ottawa, attempting to come to a compromise agreement concerning a federal-provincial development plan for the Lower St. Lawrence, the Gaspe and Iles-de-La-Madeleine.

Let us turn for a moment to a second consideration. The very complexity of the ARDA experience, along with the time limitation of the study itself, made it impossible to visit each of the ten provinces. The limitation is apparent when one considers that both Nova Scotia and Prince Edward Island face pressing problems in respect of rural poverty and have attempted to design a development strategy in respect of these problems.

With these two limitations in mind, it would be a mistake to consider this case study of government planning for anything other than what it is: an attempt to come to grips with the essence of the process at a point in time, recognizing that it is difficult, without further research, to determine the degree to which the conclusions based thereon have been thrown into question by the sweep of events.

Of what value then is this report and the study on which it is based? A number of considerations come to mind. First, it is worth knowing something about ARDA, if only at a point in time. Second, the study can serve as a bench mark, against which changes in the legislation and program can be measured and judged. Third, ARDA, in effect, provides a model for regional development. It is important to know something of the birth pains of that model, of the assumptions on which it rests, of the general strategy it offers for dealing with rural poverty and regional disparities. And in this connection, we have not hesitated to draw general conclusions regarding the usefulness and limitations of the model itself.

OUTLINE OF THE REPORT

The ARDA Legislation was introduced to the Federal Parliament in 1961 with considerable fanfare. Expectations were aroused. Yet the legislation itself was extremely general and vague. Indeed, the very language of the Act in no way conveyed the promise attributed to it. Chapter II deals with the history of the

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[1] The field work for the study commenced in September of 1966 and was completed by February of 1968.

Legislation and the 1966 amendments thereto. It examines the assumptions underlying the Act and the concepts explicit and implicit in the Legislation and Federal-Provincial Agreements related thereto. An attempt is made to summarize the parameters of a piece of legislation that is at once vague in its terms and complex in its implications.

Despite attempts at consultation between Ottawa and the provinces, the fact remains that the Federal Government displayed leadership in regard to ARDA; the provinces were obliged to react to federal initiative. The nature of the reaction is both intriguing and instructive, in view of the fact that the provinces did not share, to the same degree, the federal enthusiasm and expectation regarding the potential of ARDA. Chapter III describes and analyses the provincial response.

Due to the provisions of the British North America Act, the initiative for programming under ARDA lies with the provinces. In Chapter IV, we attempt to explore the variation in programming in the provinces that has taken place between 1961 and 1967.

We have spoken of ARDA as a model for development. Initially, the Federal Government - not to mention the provinces - was unclear as to how the ARDA program would unfold. By 1966, it was clear that ad hoc physical resource based projects were dominating ARDA programming. Some of the provinces, along with the Federal Government, recognized the need for a more comprehensive approach to public planning and programming at the regional level. The legislative provisions for such an approach are dealt with in Chapter II. The experience with comprehensive planning in the provinces is examined in Chapter V.

The nature of the study, as we have pointed out, makes generalization a risky adventure. Nevertheless, the degree of rural poverty in Canada, along with the shocking and depressing implications of continuous regional disparities make the adventure worth risking. Despite the changes and events that have taken place under the auspices of ARDA since the completion of the field work, we suspect the conclusions discussed in Chapter VI stand. If some of them do not, then the publication of this report will provide Governments an opportunity to set the record straight - and in public. No one can discount the value of such a disclosure.

A brief and annotated bibliography is appended.

ACKNOWLEDGEMENTS

I wish to express my appreciation to the Canadian Council on Rural Development for suggesting and financing the study.

This study, in no small way, was made possible through the interest and cooperation of many Provincial and Federal Public Servants involved in the ARDA program. Their kindness and assistance made the research all the more rewarding.

I hesitate to mention names; however, during the early phase of the research, when I was uncertain as to what kind of questions I should be seeking answers to, three individuals were more than generous in tolerating an almost endless stream of "naive" inquiries: Mr. A.T. Davidson, former Assistant Deputy Minister of the

Federal Department of Forestry and Rural Development; Mr. P. Blanchard and Mr. F. Evans, ARDA Co-ordinators respectively for the provinces of New Brunswick and Newfoundland. To each I express my warm appreciation.

Finally, I wish to mention the assistance and encouragement of Mr. Roger St. Louis, formerly of the Canadian Council on Rural Development staff in Ottawa. Mr. St. Louis accompanied me to Quebec in February of 1968. His own experience with the BAEQ and his knowledge of Quebec developments were shared with the author and for this I am most grateful.

It goes without saying that the content and conclusions of this report are matters for which I alone assume responsibility.

CHAPTER II

ASSUMPTIONS AND CONCEPTS OF FEDERAL ARDA

SUMMARY

Introduction
Review of the Legislation
Inventory of Assumptions
Inventory of Concepts
Discussion of Assumptions
Discussion of Concepts
The Dynamics of the Legislation

INTRODUCTION

This chapter is concerned with the purpose or objectives of the ARDA Legislation and the assumptions and concepts it employs in connection with those objectives. The first section of the chapter reviews the history of the Legislation and is followed by four sections in which the assumptions and concepts of the legislation are examined in detail. The fifth section summarizes the discussion with a view to highlighting or pin-pointing the essential features and provisions of the Legislation. The final section raises a number of questions regarding ARDA which are developed further in following chapters.

REVIEW OF THE LEGISLATION

On January 25, 1961, the Minister of Agriculture, the Honourable Alvin Hamilton, introduced a resolution to the House of Commons which read as follows:

> **"That it is expedient to introduce a measure to authorize the Minister of Agriculture to enter into agreements with Provincial Governments or Agencies thereof for the undertaking jointly with those Governments or Agencies of projects for the alternative uses of lands that are marginal or of low productivity, projects for the development of income and employment opportunities in rural agricultural areas, and projects for the development and conservation of the soil and water resources of Canada; for the payment to the provinces of contributions in respect of the cost of such projects undertaken by a province or agency thereof; to authorize the Minister of Agriculture to undertake programs of research and investigation in respect of these matters; to provide for the establishment of advisory committees**

> and the appointment of their members, and to provide for other related and incidental matters".[1]

The resolution contained four provisions which were to constitute the substance of Bill C-77 - The Agricultural Rehabilitation and Development Act.

First, the Minister of Agriculture, on behalf of the Federal Government was authorized to enter into agreements with Provincial Governments or Agencies thereof. The question follows: What kind of agreements? The resolution, and Bill C-77 which followed, do not say. They simply stipulate the class of agreements referred to, namely, agreements concerning projects dealing with alternative land use, development of income and employment opportunities in rural agricultural areas and soil and water conservation. In this connection, the Minister made an observation during the second reading of Bill C-77 which is worth noting. Referring to comments by an opposition member, Mr. Hamilton said in part:

> "...that the bill does not state what the Act will do... This is true, Mr. Speaker, because no one in the provinces or in farm organizations or at the federal level knows yet what the Bill will bring forth and the extent to which we are going to use this Bill".[2]

Second, the resolution and the Bill which followed authorized the Federal Government to make payments to the provinces in respect of projects arising out of the agreements in question, and undertaken by a province or agency thereof.. It is important to note that the resolution and Bill C-77 made no reference to any cost-sharing arrangements or formula. The matter was left open. When pressed in the Commons, the Minister allowed that the Government had considered three possible kinds of cost-sharing arrangements: 50-50 sharing between the Provincial and Federal Governments; an arrangement similar to that provided by the Canada Water Conservation Act;[3] and arrangements involving self-liquidating projects. However, the Minister added that these three arrangements had been considered only, that they in no way committed the Federal Government to formulae in respect of cost-sharing with the provinces. The matter remained an open question.[4]

Third, the resolution and Bill C-77 authorized the Minister of Agriculture to undertake research programs in connection with alternative land use, soil and water conservation and the development of income and employment opportunities in rural agricultural areas.

Fourth, provision was made for the establishment of advisory committees and the appointment of members to same in respect of the other three main provisions of the Bill.

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[1] House of Commons Debates, January 25, 1961,p. 1403. Bill C-77 was introduced on March 23, 1961; it received second reading on May 1 of the same year, and was passed, without opposition on May 31. The Bill received Royal Assent on June 22, 1961.

[2] Ibid., May 22, 1961. p. 5194.

[3] Under this Act, costs are shared as follows: Federal - 37½%; Provincial - 37½%; and Municipal - 25%.

[4] Section 7 of the Act authorizes Parliament to appropriate money for all expenditures under the Legislation.

The general purpose of the 1961 ARDA Legislation was related to the question of social and economic adjustments attending or necessary to technological change in the agricultural industry. The preamble to the Act reads in part:

> "Whereas agriculture in Canada is undergoing technological changes that necessitate adjustments on the part of many Canadians engaged in this basic industry in order to maintain or raise their standard of living..."

The Legislation in itself was not designed to cope with this problem. In introducing the resolution, the Minister of Agriculture made it abundantly clear that ARDA was to be part of a national Agricultural or development program.[1] He said in part:

> "Generally speaking, the objective of the national agricultural program is to give agriculture a reasonably fair share of the national income. We believe that this parity of income should not be attained by charity but by providing opportunities for the farmers to help themselves..."[2]

At the time the ARDA Legislation was introduced, the Minister of Agriculture claimed that the agricultural program of the Government was embodied in the Price Stabilization Act, the Farm Credit Act and the Crop Insurance Act. Speaking on the relation of ARDA to this program, and referring to measures designed to provide price stability, capital and crop insurance, the Minister observed:

> "These items are designed to help the farmer immediately, and to help the 70% who are on reasonably good land. Our desire is to bridge the gap that exists between those farmers who are on reasonably good land and those farmers who are on poor land and cannot be helped by these measures, or who are producing something that is in surplus."[3]

And for emphasis he added:

> "If any person tries to divorce this (ARDA) from the over-all agricultural policy of the government, that person does a great injustice to what we are attempting to do here. This is part and parcel of a national program for agriculture which is a logical, co-ordinated attack on the fundamental weaknesses we see in agriculture..."[4]

The main purpose of the ARDA Legislation then was to complement a national agricultural program designed to ensure that those engaged in the agricultural industry

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[1] The reference is to a policy statement concerning a national agricultural program made by the Prime Minister in the House of Commons on August 30, 1958. See House of Commons Debates, August 30, 1958, p. 4347.

[2] House of Commons Debates, January 25, 1961. p. 1403

[3] Ibid., March 23, 1961, p. 3264.

[4] Ibid., p. 3260

(and facing social and economic adjustments to technological change) would receive a reasonably fair share of the national income, or, to use the Minister's words, "parity of income".

To this end, the Minister stated that the ARDA Legislation was specifically designed to improve the economic position of those farmers on poor or marginal land, or engaged in the production of a commodity for which the supply far exceeded the demand. Put in other words, and at the expense of over-simplification, ARDA was designed to meet the needs and problems of those on unviable farm units, while price stabilization, credit and crop insurance programs were designed to meet the needs and problems of those on more viable farm production units.

It is interesting to note that during the debates, the Minister of Agriculture made only general and passing reference to matters relating to alternative land use, soil and water conservation and research. And in this connection, the reference often included a discussion of income problems. The one notable exception involved the relation of ARDA to, and the future of the Prairie Farm Rehabilitation Act.

On this question, the Minister was something less than clear. During the debate on the resolution, the Minister said in part:

> "...the intention is to keep the Prairie Farm Rehabilitation Act in force for use in the Western Provinces but to extend the operational borders of that Act to include all agricultural land in the West and the Peach River area. The idea behind keeping the Prairie Farm Rehabilitation Act is, first of all, the machinery is there and it is working. In the meantime, as the other provinces come in with various agreements that deal with the physical (land use) part of the program (ARDA), machinery will be created that will correspond, in essence, to the PFRA machinery. When this machinery is set up in all the provinces, I hope then to meld it with the PFRA machinery. In the interregnum, before this machinery is set up, the PFRA will continue to operate in the western provinces."[1]

It would appear then, that the Government proposed to *(a)* extend the operation of the PFRA in the West and Peace River area, *(b)* invite the other provinces to establish similar conservation and land use machinery under agreements provided for in the ARDA Legislation, and *(c)* integrate the new machinery developed under ARDA with PFRA when all the provinces had established similar procedures for dealing with soil-water conservation and land use. Insofar as the PFRA was concerned, ARDA was to provide a rather round-about device for extending the provisions of that Act to other provinces in Canada.

However, during the third reading of Bill C-77, Mr. Hamilton commented on the difference between the alternative land use provisions of ARDA and the PFRA:

> "An alternative land use program is altogether different from PFRA, which has as its objective, the drainage and storage of water to increase productivity. Alternative land use involves taking land presently in use but not providing

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[1] House of Commons Debates, March 23, 1961, p. 3280

the farmer a good living and discovering alternative use for it that will provide a better living to the farmer."[1]

The Minister, of course, over-simplified the objectives of the PFRA, which include cultural practices, land utilization and resettlement, as well as drainage and water conservation. The point is, the Minister's statement suggests that the alternative land use provisions of ARDA would go beyond the conventional PFRA programs. In what way, the Minister did not say.

It is now possible to summarize the essential objectives and provisions of the 1961 ARDA Legislation. First, the objectives. *(a)* The Act was designed to deal primarily with low income problems arising out of technological change in the agricultural industry. *(b)* The Act was to be part of a larger agricultural and development program, including provisions for price stabilization, credit and crop insurance. Together, these programs, including ARDA, were designed to ensure that the agricultural sector of the economy would receive a fair and reasonable share of the national income.

To return to ARDA, the essential provisions of the Legislation for realizing these objectives can be summarized as follows: *(a)* The Act provided for agreements between the Federal and Provincial Governments or Agencies thereof in respect of projects concerning alternative land use, the development of income and employment opportunities in rural agricultural areas and soil-water conservation. *(b)* The Act authorized the Federal Government to make payments, approved by Parliament, to the provinces in respect of these agreements. *(c)* The Minister of Agriculture was authorized to undertake research in connection with matters subject to agreement, and to establish advisory committees and appoint members to same in relation to matters pertaining to the Act.

In view of all that was said and claimed during the debate on Bill C-77, an impatient and intemperate observer might conclude that the ARDA Legislation of 1961 was "much ado about nothing". There is no question that the objectives of the Act were important and ambitious. Indeed, it may be said that the objectives of the legislation dwarfed the provisions of the Act - provisions which only included Federal-Provincial agreements of an unspecified nature, cost-sharing arrangements of an unspecified nature in respect of those agreements, research and advisory committees. In short, the provisions were at least vague; at best, they were permissive and flexible.[2]

It would be a mistake, however, to dismiss the Legislation on the basis of this conclusion alone. During the debate, a number of assumptions and concepts concerning the objectives of the Legislation were discussed by the Minister. Moreover, two general agreements between the Federal and Provincial Governments further developed and refined these concepts. It is in terms of these assumptions and concepts that the provisions of the Legislation must be judged.

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[1] Ibid., March 31, 1961, p. 5647.

[2] It is not uncommon for governments to propose vague and general legislation concerning matters for which there are no legislative and administrative precedents. Usually, legislation of this kind is made more specific through amendments. As we shall see, the Federal Government has done just this in respect of ARDA.

Before doing so, it is necessary to consider two additional Bills introduced to the Commons by the Government in 1966. The first involves an amendment to the 1961 ARDA Legislation; the second involves the establishment of a fund for rural economi development. Our purpose in reviewing the Legislation at this time is to inquire whether they alter the objectives and essential provisions of Bill C-77 in any important and fundamental way.

First, Bill C-152, an Act to amend the 1961 ARDA Legislation.[1] The amendments are essentially four in nature. First, the application of the Act was extended to include all rural areas in Canada. Second, the title of the original Act was changed. Third, the interpretation of the term "Minister" in the Act was modified. Finally, authority was added to allow for payment of remuneration to members of advisory committees.

The 1961 Legislation referred to rural agricultural areas in Canada. During the debate on the second reading of Bill C-77, the Minister of Agriculture qualified this agricultural emphasis as follows:

> "While the program is focused mainly on farm people, it cannot be exclusively agricultural. Rural economies are no longer separate from town or urban economies, and the program must be one of area development embracing local centers of population as well as the farms surrounding them."[2]

Nevertheless, the Government claimed that the wording of the 1961 Legislation restricted the application of ARDA programs to rural areas involving agriculture. The Minister of Forestry said in part:

> "We had no intention whatever of bringing forward an amendment to the Act known as ARDA. It was the Minister of Justice (Hon. L. Cardin) who, some time last year, thought that the Act passed in 1961 restricted to rural areas, where agriculture was possible, projects submitted by Provincial Governments and approved by the Federal Government. And doubts were raised in the Department of Justice about the legality of certain projects submitted to us by some of the provinces and which, while they concerned rural areas, were not meant for a region where agriculture was possible. I am thinking especially of Newfoundland and certain areas of the Province of Quebec. It is only after long discussion with the Department of Justice that we decided to introduce an amendment to the Act passed in 1961. Had there not been that insistence from the Department of Justice or that interpretation of the 1961 Legislation, Bill C-152 now before the House of Commons would serve no purpose."[3]

Provision was therefore made to amend the 1961 Legislation to refer to rural areas in Canada, rather than rural agricultural areas.

The change in title of the 1961 Legislation was consequential on the extension of the application of the Act. The original intention in the resolution was to change the name of Act to "Rural Development Act". Considerable concern was expressed by Opposition Members, some suggesting that the Government sought to change the title for political purposes. The Government dismissed this suggestion and moved an amendment, changing the title to the "Agricultural and Rural Development Act" (ARDA).

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[1] A resolution to amend ARDA was introduced to the House of Commons by the Minister of Fisheries, the Honourable H.J. Robichaud on March 18, 1966. Bill C-152 received second reading on March 31, 1966, and was passed by the House on April 6, 1966.

[2] House of Commons Debates, May 22, 1961, p. 5197.

[3] Ibid., March 31, 1966, p. 3683.

In the original Legislation, the term "Minister" was defined as the Minister of Agriculture. In order to provide more administrative flexibility and confirm the responsibilities of the Minister of Forestry over the ARDA program, the term "Minister" was redefined to mean "such member of the Queen's Privy Council for Canada as designated by the Governor in Council".

Of these four amendments to the 1961 Legislation, the critical consideration is the extension of the Act to all rural areas in Canada. A number of points should be noted. First; ARDA now refers to some rural industries over which the Federal Government has no direct constitutional jurisdiction. For example, section 92 of the British North America Act assigns jurisdiction over natural resources to the provinces.[1] Industries such as forestry and trapping fall within provincial constitutional jurisdiction. We shall argue later that judicial interpretation is, among other things, a complex and frustrating ritual. While we claim no expertise in the mysteries of judicial interpretation, it is our opinion that the extension of the application of the Act to all rural areas in Canada confirms and strengthens the prerogatives and responsibilities of the provinces under the Act.

Second, the amendment in question broadens the objectives of the Act. While it would be an exaggeration to claim that the amendment alters the fundamental purpose of the 1961 Legislation, it would be fair to say that it widens the scope of attack to include all rural areas - be they agricultural or not - in which low incomes are endured. In this respect, the emphasis of the Act is placed on low income, rather than low income within a particular rural industry.

Let us turn now to a consideration of Bill C-151, the Fund for Rural Economic Development Act (FRED). The Act authorizes the Federal Government to enter into agreements with the provinces or agencies thereof for the joint undertaking of a comprehensive rural development program in a special rural development area undertaken by the Government of a Province or Agency thereof. For these purposes, it establishes a $50,000,000 fund in the Consolidated Revenue Fund of the Federal Government, and provides for the establishment of an advisory board of not more than ten senior officials of Federal Departments or Agencies for the purpose of reviewing proposals for comprehensive rural development programs and making recommendations to the Minister on same.[3]

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[1] Section 95 of the BNA Act authorizes the Federal Government to make laws in respect of agriculture in Canada, such laws to have effect over provincial laws with which they are in conflict. Theoretically then, it might be argued that the Federal Government had more jurisdiction under the 1961 Legislation than under the 1966 amended Act. However, since the 1961 Legislation included questions of natural resources and property and civil rights - both provincial concerns - it is questionable whether federal prerogatives would be encouraged by a judicial interpretation.

[2] A resolution providing for a fund for rural economic development was introduced to the House of Commons on March 18, 1966 by the Minister of Fisheries. Bill C-151 received second reading on May 10, 1966, and was passed by the House on May 12, 1966.

[3] The Act was amended in March of 1967, raising the aggregate amount in the fund to $300,000,000.

First, the question of agreements. Section 5 (a) of the Bill defines a comprehensive rural development program as follows:

> "... a comprehensive rural development program, consisting of several development programs, that is designed to promote the social and economic development of a special rural development area, and to increase income and employment opportunities and raise living standards in the area, and that makes provisions for participation by residents of the area in carrying out of the program;"

So defined, a comprehensive program under the Act includes several development programs designed to *(a)* raise income and employment opportunities in the area, *(b)* promote the social and economic development of the area, and *(c)* involve the participation of local residents in the area in carrying out the program.

Section 5 (b) of Bill C-151 defines a special rural development area as follows:

> "A special rural development area is a predominantly rural area within a province that is designated in an agreement between the Province and the Minister under section 4 to be an area of widespread low incomes resulting from economic and social adjustment problems, and that, in the opinion of the Board, based on information submitted by the Province, with respect to physical, economic and social conditions in the area, has a reasonable potential for economic and social development."

Note: *(a)* that the area must be predominantly rural. *(b)* That the area becomes a "special rural development area" when so designated by agreement between the Minister and a Province. *(c)* Several criteria are provided for designating an area: widespread low income resulting from social and economic adjustment problems, and reasonable potential for social and economic development in the area.

Second, the question of the fund. The Bill provides for the establishment of a $50,000,000 fund in the Consolidated Revenue Fund for the purpose of implementing joint comprehensive rural development programs in special rural development areas, or assisting in the financing of provincial projects of a similar nature.[1]

During the debate, the Minister made it clear that this fund was separate and apart from monies allocated by Parliament for the purposes of ARDA. Moreover:

> "The special fund ... will be employed to finance development and adjustment programs which cannot be financed by other public programs, whether Federal, Provincial or joint programs including the normal ARDA program."[2]

This special provision, which gives financial possibilities to Part VI of the 1965-70 Federal-Provincial Rural Development Agreement can be appreciated when it is recognized that the Federal contribution to the 1962-65 Federal-Provincial

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[1] Section 4 (2) of the Bill stipulates that no agreement qualifying for money under the Act may be entered into after March 31, 1970.

[2] House of Commons Debates, May 10, 1966, p. 4940.

Rural Development Agreement amounted to some \$34,000,000.[1]

Finally, the question of the advisory board. The Bill provides for an interdepartmental agency advisory board of no more than ten Senior Federal Public Servants. Section 8 of the Bill empowers the Board to study and review proposals for comprehensive rural development programs and make recommendations concerning same to the responsible Minister. In this connection subsection 2 of section 8 is most specific:

> "The Board shall recommend that the Minister not enter into an agreement under section 4 providing for the payment of money by him with respect to any program or any part of any program that, in the opinion of the Board, can be more appropriately carried out under any other assistance."

It is important to add that the Minister's discretion under the Act is limited by Section 4 (1) which stipulates that he may enter into an agreement with a Province on the recommendation of the Advisory Board and with the approval of the Cabinet.

The power assigned to this Advisory Board is impressive and there can be no doubt that it was intentional. Commenting on the functions of the Board, Mr. Sauve said in part:

> "The Advisory Board ... has a particularly important function. Since the plan will propose direct participation or direct action by Federal Agencies, and will propose joint projects which are in the fields of interest of a number of Federal Agencies and Departments, it is essential that the Officers of these Agencies be actively involved at the senior level. The Board will assure that interdepartmental co-ordination is achieved to implement the plans, and that a number of Federal Departments are actively engaged ... The Board will not only assure co-ordination but will assure program input at a senior level in the Federal Administration."[2]

With these observations and comments in mind, the question may now be asked as to whether FRED alters the objectives and provisions of the amended ARDA Legislation in any fundamental way. In terms of the objectives of the amended ARDA Legislation, the answer is no. In terms of the provisions of the Legislation, the answer is clearly yes.

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[1] The 1962-65 Federal-Provincial Rural Development Agreement had no provision for special rural development areas and programs. A provision of this kind was added to the 1965-70 Agreement. Section 34, Part VI of the Agreement reads: "Such areas warrant a comprehensive co-ordinated approach to economic and social development because they are subject to wide-spread low income; have major adjustment problems; and have recognized developmental potentials.

[2] House of Commons Debates, May 10, 1966, p. 4941.

First, FRED provides for Federal-Provincial Agreements concerning special development programs in special development areas. It may be objected that the definitions of a comprehensive rural development program and a special rural development area remain general. Be that as it may, FRED embodies, in legislative form, a special kind of agreement provided for under the 1965-70 Rural Development Agreement. If only in this respect, FRED sharpens an unusually vague piece of Federal Legislation.

Second, section 5 (a) of FRED requires the local participation of those involved in a special rural development area in carrying out and implementing a comprehensive rural development program. During the debate on the 1961 ARDA Legislation, the Minister of Agriculture frequently pointed out that local participation and involvement under ARDA was to be encouraged. Indeed, as we shall see below, the Minister stressed that the intention of the Legislation was to assign initiative and prerogatives to provincial, local governments and committees. These intentions, however, were never spelled out in the Legislation. It is in this connection that FRED adds to the amended ARDA Legislation.

Third, FRED provides for a more specific integration of programs for the development of income and employment opportunities with alternative land use and soil-water conservation, if only for limited and specific area programs. It will be recalled that section 5 (a) of FRED calls for the promotion of social and economic development of a special development area, as well as for the improvement of living standards and the raising of income and employment opportunities. It may be said that this kind of integration of programming was possible under the 1961 ARDA Legislation, and was provided for under section 4 (3) of the 1962-65 Rural Development Agreement.[1] Nevertheless, it should be pointed out that FRED makes specific legislative provisions for this kind of integration in special rural development areas.

Finally, FRED is more specific in terms of the kind and conditions of Federal participation and involvement in agreements and programs under ARDA. The Federal Minister shares in the responsibility for designating a special rural development area. Projects under the Act must be approved by a Federal Advisory Board composed of Senior Federal Public Servants. The provisions for Federal funds are both generous and critical to the success of any program under the Act. Federal Departments and Agencies are directly involved in executing a development program when and where such involvement is deemed advisable.

We may conclude this summary of the ARDA Legislation by noting that neither Bill C-151 nor C-152 alter in any important and fundamental way the objectives of the 1961 ARDA Legislation. In terms of legislative provisions, it may be said that FRED is far more definitive in terms of comprehensive rural development programs in special rural development areas, especially in connection with the kind and degree of Federal participation and involvement. Moreover, the 1966 amendments to the legislation broaden the scope of the original Act to include all rural areas, not simply agricultural.

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[1] The section reads: "This program (Rural Development Projects) will have effect in those areas proposed by the Province and agreed to by the Minister as Rural Development Areas. The program will include physical resource studies, social and economic studies and research on rural development, the establishment of local rural development committees and the undertaking of projects for area development, and improvement of rural living standards in areas so designated."

We now propose to examine the assumptions and concepts - explicit and implicit - involved in ARDA (including FRED). To this end, we have relied on the legislation itself, statements made by responsible Ministers and Public Servants, and the 1962-65 and 1965-70 Federal-Provincial Rural Development Agreements. Again we point out that we are concerned for the moment with assumptions and concepts at the Federal level.

INVENTORY OF ASSUMPTIONS

Five assumptions are involved in ARDA at the Federal level. In this section of the chapter, we propose to list them briefly; we shall discuss them further in the appropriate section below.

(a) The market place alone is unable to guarantee the most efficient and desirable employment and use of natural resources in every instance, nor is it able to improve the standard of living of those in rural areas who are under-employed, live and attempt to survive on marginal land or resources, or who are engaged in the production of a commodity for which the demand in the foreseeable future is far less than the supply.

(b) Related to the first is the second assumption that the problem is both social and economic. It includes economic considerations but it also involves human beings-their attitudes, values, habits and traditions in relation to these economic considerations.

(c) The general answer to the problem rests in devising ways and means of providing for adjustment and adaptation to the larger changing industrial society. This does not simply mean, for example, the migration of human resources to urban industrial centers; nor does it dismiss out of hand adjustments and adaptation within the agrarian sector of the economy. It means rather that the larger and changing industrial society provides the general context in which agricultural rehabilitation, rural development, the development of industries associated with natural resources, the retraining and migration of rural surplus labour will take place.

(d) Related to the third is the assumption that social and economic planning will provide a rational and functional means of realizing these ends.

(e) Finally, and related to the fourth, is the assumption that rational and functional social and economic planning can take place within the framework of the British North America Act. To be more specific, planning, involving the kind of constitutional partnership among governments allowed under the BNA Act, can be developed which will satisfy the conditions necessary to bring about the kind of adjustments and adaptations assumed above.

INVENTORY OF CONCEPTS

Words can sometimes be confusing, if not misleading. The term "concept" is a case in point. In the introduction to the 1965-70 Federal-Provincial Rural Development Agreement, the Minister of Forestry, the Hon. M. Sauve, refers to what he calls the "concept of rural social and economic development". We have debated the question of accepting the Minister's terminology and have decided to forego the temptation of following ministerial precedent. In our view, the Minister has used the term to refer to such a wide and complicated range of activities that the term "program" might be more usefully employed and substituted. This substitution in no way implies criticism of the Minister's choice of terms. Rather, it enables us to break the ARDA program down into what we consider to be three main and central concepts.

The ARDA program follows from the five assumptions listed above and embodies the characteristics of the amended 1961 Legislation. Three main concepts are involved: self-help, regional development and government planning. Each are central to the essential qualities of the ARDA Legislation and program.

(a) The concept of self-help is, in part, an assumption which follows from the fifth assumption concerning planning and the BNA Act, and states that people, given the proper opportunities, can help themselves and improve their conditions of existence. But the notion of self-help is more than an assumption about the human beast. It is part of a larger plan which envisages the active participation of people in projects designed to improve their standard of living - projects, we hasten to add, which they may help to design and implement.

(b) In what context is the concept of self-help to be realized? The basic answer is in terms of local regions, and in this connection, the concept of regional development follows.[1] The modifying adjective "regional" is critical. Development is not envisaged on a national scale. It is focused on a local or regional level, with provisions for national co-ordination and assistance.

(c) Finally, and related to the first two, the concept of government planning. To some, the very term suggests an authoritarian, beaucratic, rigid and smothering nightmare. Under ARDA, the concept proposes nothing of the kind. Rather, it includes a delicate and difficult arrangement of functions, responsibilities and jurisdictions appropriate to Local, Provincial and Federal Governments under the terms of the British North America Act. It includes regional development and planning, yet goes beyond it. It involves both direct Government action and restraint. It defines the role of Government in the ARDA program without guaranteeing it.

The purpose in this and the previous section of this chapter has been to provide an inventory of assumptions and concepts involved in the ARDA program. We turn now to a critical analysis and discussion of these assumptions and concepts.

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[1] It should be pointed out at this time that regional development does not exhaust the activities associated with ARDA. Many activities, such as retraining, relocation and migration go beyond the regional level and involve the concept of government planning.

DISCUSSION OF ASSUMPTIONS

(a) The Market Place

The first assumption concerning the inadequacy of the market place alone in questions involving rural low income and inefficient resource development is largely implicit in the legislation and statements made by responsible officials. For example, the preamble to the 1961 Legislation states that agriculture in Canada is undergoing technological changes that necessitate adjustments on the part of many. It further suggests that such adjustments might follow from projects in respect of alternative land use, the development of income and employment opportunities in rural areas (as amended), and soil-water conservation. And how are such projects to come about? The Legislation answers in terms of Government Agreements. In this connection, the market place is, in considerable measure, dismissed without mentioning it.

During the debate on the second reading of Bill C-77, the Minister of Agriculture made a statement which comes closest to spelling out the assumption. He said in part:

> "It (ARDA) is, first of all, to fill a most important cap which has grown up over the decades in our agricultural industry. It is a gap which has defied all attempts to get at the agricultural problem on the economic side."[1]

The Minister made it clear that the "gap" referred to some 30% engaged in the agricultural industry who endured low incomes and a marginal existence and for whom traditional marketing credit and price stabilization programs were of little, if any, direct value. Although he did not specifically mention the role of impersonal market forces, the inadequacy of same is implicit in his statement and is confirmed in an interview we had with Mr. Hamilton in the winter of 1961.

One final reference. In the spring of 1962, the then director of ARDA, Mr. A.T. Davidson, made a statement concerning ARDA. He said in part:

> "... rural Canada has been going through, and is going through, a difficult period of economic adjustment. Great technological changes are taking place. This adjustment has left in its wake many rural areas of relatively low income, areas of under-development of resources, of poor land, of idle land accompanied, in some cases, by rural poverty and attendant ills. ... In spite of many programs and much effort, imbalance exists between the agricultural or rural sector of the economy and the rest of the economy. ... I believe the chances of simply growing out of this problem with little effort on our part in the next two or three decades are slight. We cannot assume that increased efficiency within agriculture alone will be the complete salvation of rural areas. We must do something about it. One of the main purposes of ARDA is to help meet this problem of adjustment ..."[2]

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[1] House of Commons Debates, March 23, 1961, p. 3260.

[2] A.T. Davidson, "Notes for a Talk on ARDA", Annual Meeting of the Canadian Forestry Association, Ottawa: March 20, 1962, p. 3.

In other words, market forces, and programs designed in relation to same, are not in themselves sufficient to close what has been referred to as the gap in the Canadian agrarian and rural economy.

It is interesting to note that this assumption was neither spelled out in detail, nor questioned during the debate on Bill C-77. Several reasons suggest themselves.

First, the assumption does not strike at the heart of the Canadian industrial economy. It " tickles the edges", so to speak. And if this is offensive to some, it is readily apparent that the assumption refers to human and physical resources which, as a result of technological change, are not, for the moment, in the mainstream of the larger industrial society. And, as the third assumption makes it abundantly clear, the larger industrial society remains the goal in terms of adaptation and adjustment.

Second, this kind of assumption is neither new nor recent. It was at least in Bennett's "New Deal" legislation in the 1930's, and has been accepted as part of the basis of national policy in the years following the second world war.[1] In short, it is now commonly accepted that if the market place and impersonal market forces are God ordained, they are nevertheless the creation of man. As such, they are occasionally, if not often, the object of imperfections and deserving of limited government intervention and assistance.[2]

Yet, it would be a mistake to minimize the importance of this assumption, and the fact that it has received uncritical acceptance. As recently as 1956, a distinquished English economic historian was able to write of American economic policy:

> "It ... was still publicly and privately committed to the defence of private enterprise and apparently oblivious of the immense inroads that had been made into it, even in the United States. A highly artificial attitude came to prevail. The defense of private enterprise became a required article of faith of an established church."[3]

The relevance of these remarks to Canada in general, and ARDA in particular, needs no elaboration.

(b) The Problem

The second assumption concerns the general nature of the adjustment problem, i.e., that it is both economic and social. It is of considerable importance that this assumption finds expression in the 1962-65 and 1965-70 Rural Development Agreements for it strikes at a dimension to the adjustment problem which is occasionally ignored or dismissed by sociologists and economists.[1] Perhaps the most dramatic statement concerning this assumption was made by the Minister of Agriculture when the resolution in respect of Bill C-77 was introduced to the House of Commons. He said in part:

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[1] See J.A. CORRY, "The Growth of Government Activities Since Confederation", Ottawa: A Study Prepared for the Royal Commission on Dominion-Provincial Relations, 1939; Economic Council of Canada, Economic Goals for Canada to 1970, First Annual Review, December 1964.

[2] During the second reading of Bill C-77, Mr. Hamilton indicated the degree of support the measure was receiving by citing editorials. The list is an impressive one. See House of Commons Debates, March 23, 1961, p. 3261-3263.

[3] E.H. CARR, The New Society, Boston: Beacon Press, 1965, p. 30-31.

> "Those who feel that the small farm problem can be resolved by arbitrarily uprooting people from their farms do not, in my view, understand the deep attachment of rural people to their home surroundings."[2]

In other words, the problem cannot be simply defined in economic terms. If it includes economic considerations, it also involves a social dimension - a dimension including human values, attitudes, traditions, customs, ways of looking at and defining the world in which people move. A former Minister in charge of ARDA has summed it up thus:

> "...the problem of rural Canada extends far beyond the agricultural sector, and it extends far beyond the mere manipulation of renewable resources to increase the productivity of a region. The problem is one of human beings and their relationship to their total environment."[3]

If this is one of the more explicit assumptions concerning ARDA, one may properly question if it is the one most readily to be forgotten or dismissed. This is not because of undue influence exercised on Ottawa by dull and narrow economists. Such, we believe, is not the case. Nor is it the result of disillusionment with much of what passes for contemporary sociology. Such, we hope, will not be the case. Rather, it follows from the general ideological conception of man and society which pervades the North American continent.

Man, in our society, is still enshrined in a myth of individualism.[4] It matters little that this crude remnant of the 19th century doctrine has little descriptive value - then, as now. What does matter is that Canadians, not to mention Americans, find it difficult to conceive of any reality outside of and apart from the individual himself, even though "social" realities are shaping and molding his daily existence, not to mention the manner in which he thinks. To some so-called primitive peoples, the social dimension to life is apparent; to us, it remains, at best, obscure.[5]

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[1] For example, see Schedules "A" and "C" of the 1962-65 Rural Development Agreement and Parts I, III, IV, V and VI of the 1965-70 Agreement.

[2] House of Commons Debates, January 25, 1961, p. 1406.

[3] The Hon. M. Sauve, "Note for Introductory Remarks", the Organizational Meeting of the Advisory Council on Rural Development, Ottawa: December 15-16, 1965.

[4] Two recent studies question this generalization, See W.H. WHYTE, The Organization Man, Garden City, N.Y.: Doubleday & Co., 1957; D.RIESMAN, The Lonely Crowd, Garden City, N.Y.: Doubleday & Co., 1956.

[5] For an excellent study on this question see MARGARET MEAD, Sex and Temperament, N.Y.: The New American Library, 1958, especially Part I.

Insofar as there is a problem then, there will be a temptation to view it in economic terms alone. Canadians have a remarkable capacity to understand such matters as income, capital, return on investment, inefficiency and so on.[1] That capacity, however, is not matched with the ability to appreciate and understand the values, ethics, traditions and culture which accompany the economic dimension to Canadian society.

It is in this respect that ARDA represents a breakthrough. Moreover, this assumption concerning the economic and the social dimension to the adjustment problem is critical if the legislation is ever going to enjoy concrete and tangible dividends. For the problem is both social and economic, whether we realize it or not; whether we assume it to be so or not. It has, after all, an existence apart from our perception of it. And the degree to which we can meaningfully and realistically connect with the problem will depend in no small measure on our capacity and willingness to shed some, if not all, of the ideological concepts of the past.

(c) Adjustment to Society

The third assumption concerns the object of adjustment and adaptation, that objective being the larger and changing Canadian industrial society. In this connection, it is interesting to study the preamble to the 1961 legislation. It reads in part:

> "Whereas agriculture in Canada is undergoing technological changes that necessitate adjustments on the part of many Canadians engaged in this basic industry in order to maintain or raise their standard of living;".

Note the emphasis in the wording. Agriculture is undergoing technological change. This is taken as a "given", and is not questioned. What is necessary in light of these changes? The answer is in terms of adjustments. Adjustments on the part of whom, and for what? Adjustments by those affected in order to maintain or raise their standard of living, or, in other words, to bring them back into the mainstreams of the larger industrial society.

This interpretation of the preamble to the 1961 legislation is confirmed by statements made by responsible officials. Speaking to the resolution which introduced Bill C-77, and referring to national policy of which ARDA was to be part, Mr. Hamilton said in part:

> "Our concept of a national policy is based on the belief that national welfare demands positive action to meet the basic causes of distress and maladjustment in particular industries and regions."[2]

It is important to note that national policy is not primarily directed towards the larger industrial society. It is, rather, focused on those industries and regions which, in respect of the larger society, are in distress, and which require, in the name and welfare of the larger society, "positive action" and assistance.

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[1] A distinguished American social scientist has written of this capacity in terms of what he calls the "market" character. See E. FROMM, Man for Himself, N.Y.: Holt, Rinehart, and Winston, 1960.

[2] House of Commons Debates, January 25, 1961, p. 1403.

A former Minister in charge of ARDA, Hon. M. Sauve, expressed the same sentiment and objective in forceful terms. He said in part:

> "How is it then, that those people are reduced to almost total helplessness in a society which is well organized and generally effective? ... Why are so many people in rural areas living in poverty? I do not think it is because of character deficiencies or lack of personal initiative. It is due rather to the lack of a rational and organized way of dealing with the present situation in rural areas. ... It would be tragic, however, if Canada acted too late and did too little to really succeed in bringing a higher standard of living to the rural population. Most important human values are concerned. Such values are not only the obvious and negative aspects of human misery. If we, that is all other Canadians, walk the other way, feeling that it is not our responsibility to organize our society in order to serve the have-nots among us, our lack of interest will have repercussions on the vitality of our society. If we cannot do it, what can we really expect?"[1]

Note that the larger society is described with the adjectives, "well organized and generally effective". Note that the problem concerns the "have-nots", not "all other Canadians". And note the warning: what awaits the larger society if the needs of the "have-nots" are not satisfied? Revolution? The Minister does not say.

One final reference, to a statement by the Assistant Deputy Minister in charge of ARDA, a statement which needs no comment.

> "We assumed ... that rural development policy and programs could not be considered or framed outside the context of national or regional economic and social policy. Rural society could not be divorced or isolated for purposes of policy making."[2]

As we have mentioned, this assumption is related to the first and perhaps goes a long way in explaining the kind of tolerant, if not warm reception, accorded the ARDA Legislation. Less we be misunderstood, we are not quarreling for a moment with the assumption. We simply wish to make it abundantly clear that, in this connection, the ARDA Legislation does not strike at the roots of contemporary Canadian society. Put another way, and implicit in this third assumption, is the assertion that the larger and changing industrial society is accepted without critical comment. Its standards and values provide the ultimate objectives in terms of adjustment, adaptation and rehabilitation.

(d) Social and Economic Planning

The fourth assumption concerns social and economic planning as a functional and rational alternative to market forces. This assumption underlies the 1961 Legislation, the amendments thereto, FRED, and the two Federal-Provincial Agreements concerning rural development. Speaking on the proposed 1961 ARDA Legislation, the Minister of Agriculture said in part:

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[1] House of Commons Debates, May 10, 1966, p. 4937.

[2] A.T. Davidson, "Notes for a Talk", Ottawa: CCRD, April 14-15, 1966.

> "Under this Bill, the full scope and influence of the Agricultural Stabilization Act, the Farm Credit Act and the Crop Insurance Act can be utilized. I feel these four Acts working together in unison can become a comprehensive attack on the basic weaknesses of the agricultural economy."[1]

Commenting on the relation of FRED to the ARDA Legislation, the Minister of Forestry said in part:

> "Our intention under ARDA is not simply to adopt a welfare approach, which alleviated problems but does not solve them. Rather our practice will be to gather facts, to evolve a strategy of development. On the basis of a plan for the most rational form of development and adjustment, the programs are carried forward in a co-ordinated and planned way. ARDA seeks always to achieve the best possible combination of public investment and participation by local people. ARDA seeks the most efficient investment for basic improvement of the region's capacity to provide a sound base for the economy."[2]

And commenting on the Second Federal-Provincial Rural Development Agreement, the Minister added:

> "The new agreement provides for very broad, well-integrated programs of resources adjustment and social and economic development (in rural areas). If pursued with energy and wisdom, such programs can solve the paradox of widespread low income in a generally buoyant economy."[3]

This assumption concerning social and economic planning is critical to the entire ARDA program. It was not so long ago that an assumption of this kind would have been dismissed as impractical, if not dangerous. However, the experience of the thirties, the demands of a war economy in the forties, and the requirements of reconstruction and transition in the post-war years demonstrated, at the same time, certain inadequacies and limitations of private capitalism, and the possibilities of social and economic planning in partnership with same.[4]

It is in this connection that it is important to recognize that the assumption has limited applicability. It refers to a specific set of problems in rural Canada, and is confined to the subject matter outlined in the amended ARDA Legislation. For example, it refers to alternative land and resource use, the development of income and employment opportunities, soil-water conservation, but only in those instances in which there are adjustment problems associated with technological change. In other words, it does not envisage a planned economy, a planned society, in the public sense of the term. The assumption refers to social and economic planning designed to complement a changing capitalist industrial society, not supplant it.

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[1] House of Commons Debates, January 25, 1961, p. 1406.

[2] Ibid., May 10, p. 4940.

[3] "Notes for Introductory Remarks", the Organizational Meeting of the Advisory Council on Rural Development, Ottawa: December 15-16, 1965.

[4] For a provocative essay on the consequences of Government Planning in times of war, see Essays of Joseph Schumpeter, ed. R. CLEMENCE, Cambridge, Mass.: Addison Wesely Press, 1951.

(e) Planning and the BNA Act

The fifth assumption states that social and economic planning under the ARDA Legislation is possible within and compatible with the terms and judicial interpretation of the British North America Act.

The assumption is basically implicit in the provisions of ARDA and FRED. In the case of ARDA, the Federal Government is restricted to undertaking research and investigation, the establishment of advisory committees, and the entering into of agreements with the Provinces or Agencies thereof. In the case of FRED, the legislation hinges on a Federal-Provincial agreement.

Commenting on the relation between ARDA and the BNA Act, the Minister of Agriculture, the Hon. A. Hamilton, said in part:

> "The idea here is that property and civil rights belong to the provinces. The provinces have the responsibility for their farmers in those areas. All we are doing is going to the provinces and suggesting that we enter into a co-operative program. They know the needs of their people as well as anyone. If we can share this program in any way and work out an arrangement that will be satisfactory to both of us, we will do it. I think the idea that is spreading across Canada of a centralized force under the Minister of Agriculture to impose things on people that are good for them whether they want them or not, is a philosophy that is foreign to myself, and to most people in Canada."[1]

And the Minister of Forestry added:

> "May I point out ... that the Constitution itself justifies the Federal Government to intervene in the field of agriculture. Indeed, section 95 of the Constitution authorized the intervention of the Federal Government in rural matters. But what is more important ... is the fact that Bill C-152 does not add anything to the original Bill ... it is strictly in the field of research and inquiries that the Federal Minister can have programs and projects prepared and undertaken directly or in co-operation with the Government of any province. That is strictly limited to inquiries."[2]

This assumption qualifies the fourth concerning social and economic planning. It accepts the powers, prerogatives and jurisdiction assigned to the Federal and Provincial Governments by the British North America Act, thereby limiting the

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[1] House of Commons Debates, March 23, 1961, p. 3278-79.

[2] Ibid., March 31, 1966, p. 3702-03.

Federal role in the planning process. At best, it allows Federal co-ordination of and contributions to plans and programs which the provinces are at liberty to initiate, develop and propose. If one includes the provisions in the Legislation for direct Federal research and investigation, the assumption states that planning of this kind will be both sufficient and effective in dealing with the adjustment problems in rural areas in Canada. Put another way, it states that national planning, involving Federal initiative, responsibilities and jurisdiction over various regions and provinces is not necessary in order to realize the objectives of the Legislation.

This assumption is critical to an understanding and appreciation of the rather permissive and vague provisions of the amended ARDA Legislation. As we have pointed out, the key to the provisions of the Act is found in the term, "agreements", agreements in which Provincial Governments are primarily assigned initiative for the development and proposal of a project or plan. ARDA, in essence, is permissive legislation which enables the Provinces and Agencies thereof to avail themselves of Federal assistance, both in terms of programming and financing. The natural resources and property and civil rights provisions of the BNA Act are carefully respected. We propose to discuss this question later at more length. For the moment, suffice it to note that the Legislation assumes that its objectives can be realized within the terms of the Constitution. This assumption is contentious and open to question.

DISCUSSION OF CONCEPTS

(a) Self Help

The concept of self help is not spelled out in the amended ARDA Legislation. However, according to the former Minister of Agriculture, it is clearly intended in the Legislation. Speaking of the resolution which introduced Bill C-77, he said in part:

> "One of the key points will be the widest possible participation not only by farmers but by every group in our rural communities. In sum total, agriculture rehabilitation and development must be a co-operative enterprise of government, groups and individuals."[1]

This intention was clearly realized in section 4(3) of the 1962-65 Rural Development Agreement. The section refers to rural development projects and states that a province may propose a comprehensive rural development plan for a designated rural development area in "consultation with, and with the advice of, rural development committees" composed of local citizens in the area affected.[2]

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[1] House of Commons Debates, January 25, 1961, p. 1405.

[2] Schedule "C" of the Agreement refers to the designated projects appropriate to rural development programs. Broadly speaking, they include research, development projects and rural development officer services, including training of such officers.

This provision has been sharpened in the 1965-70 Rural Development Agreement and incorporated in legislation form under FRED. Section 33 of Part VI of the new Agreement includes "the involvement of local people through the establishment of rural development committees or similar bodies" in a comprehensive rural development program; section 5(a) of Bill C-151 requires provision for participation by residents of a designated area in carrying out a comprehensive rural development program.

What is the concept all about? Basically, it means social and economic planning for and with those facing adjustment problems in rural Canada. As we have noted, the concept includes an assumption, namely, that individuals, facing adjustment problems, will, when given the appropriate opportunity, avail themselves of the possibilities under the amended ARDA Legislation. But the concept is more than this. In the case of ARDA, the concept is permissive. It gives people a choice. It does not make social and economic planning by Governments mandatory. In the case of FRED, the choice is given legal sanction. It is within the power of local citizens to withhold their consent and thereby postpone or thwart a comprehensive rural development program.

Put another way, the concept envisages the active participation and involvement of people in programs designed to assist adjustment to technological changes in rural areas and thereby improve their standard of living and bring about a more effective and efficient employment and development of natural resources.

Of the three concepts involved in the ARDA Legislation and program, this is perhaps the most challenging and vulnerable. The challenge is apparent. It is relatively simple to conceive a development plan for a specific area or region. It is relatively difficult to involve those affected in designing the plan and executing the program.

The vulnerability of the concept is not so apparent, and warrants discussion. First, ARDA is designed to deal in many cases with those who are poor and enjoy or endure a culture of poverty - a way and style of life appropriate to the economic relations resulting in poverty. If we may use an agrarian example, the work experiences of the poor do not lend themselves to planning and formal organizational activity associated with same as readily as those of the agrarian middle class. This is not to dismiss the task as impossible; it is, rather, to admit that it is and will be difficult.

Second, social and economic planning is, after all, a complex and demanding activity. It includes a perspective or frame of mind, research, information, the capacity and ability to examine, sort out, analyse and integrate information and possible projects arising from same. It goes without saying that education, training and experience are indispensable to sound and effective social and economic planning. To what extent then, can local individuals really become involved in the planning process? The question here is not one of involvement and participation; it is a question of degree.

Third, and related to the first two considerations, is a statement made by the former Minister of Agriculture during the second reading of Bill C-77. It refers to the question of education.

> "...the key to the success of this whole ARDA program is based on one word - 'education'. By education I mean not only education of the farmers but education of the people in the cities as well. Education means vocational training. It means an attitude of mind that has to be developed if this program is going to be successful."[1]

The important part of the statement refers to education in relation to creating an "attitude of mind", an attitude which is receptive and amenable to the kind of planning allowed under the Legislation. The implication is open to question. Does the statement not suggest that *(a)* the concept of self-help applies to ARDA, and *(b)* the success of ARDA depends on ensuring that those facing adjustment problems in rural areas are "educated" to appreciate and realize the potential of the concept? We suggest it does. Lest we be misunderstood, we believe the implication makes sense. We hasten to add, however, that the provision for choice in the concept of self-help is thereby qualified.

Fourth, it is important to recall that within a province, the Government alone is entitled to enter into an agreement with the Federal Government concerning ARDA programs and projects. Local development committees cannot negotiate directly with the Federal Government. In this respect, decision-making is, in part, removed from the local level. At best, a local development committee must attempt to impress its views on the Provincial Government if it is to be successful in making its presence felt.

Taking these four considerations together, there are grounds for suspecting that the concept of self-help will be fully realized under difficult conditions. If the concept has any merit - and we believe it does - then its function in and relation to the ARDA program will depend in no small measure on the degree to which it is taken seriously.

(b) Regional Development

The concept of regional development has to do with the context in which self-help and government social and economic planning takes place. During the debate on the second reading of Bill C-77, the Minister of Agriculture made it clear that the context was local and regional, not national.

> "The program should have two levels - a regional or local level ; that is a local level within that region under the all embracing framework of the national joint Provincial-Federal Committee. Planning and action must be primarily local; the kind of action taken will depend on local resources and conditions."[2]

Note that planning and action must be primarily local; that the kind of action will depend on local resources and conditions. However, local and regional activities do not exhaust the possibilities. In addition, there must be provisions for Federal and Provincial co-ordination of local and regional programs and projects. Put in other words, "action" emerges out of and takes place within the local or regional level; co-ordination is the proper role of Federal and Provincial Governments.

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[1] House of Commons Debates, May 22, 1961, p. 5199.

[2] Ibid., p. 5197

But is it? How does a local or regional development area come into being? Section 27 of Part V of the 1965-70 Rural Development Agreement makes it clear that a "rural development area" is a creature of the Federal and Provincial Governments. Several criteria are listed for designating such an area including income of families or individuals, extent of unemployment or under-employment, records of social assistance payments and levels of education.[1] Moreover, section 32 of Part VI of the Agreement, and section 5 of Bill C-151 (FRED) which also assign the responsibility of designation of special rural development areas to the Provincial and Federal Government, stipulate that the area in question must have recognized development potential, and that any proposed plan in this connection must, as provided for in section 4 of Bill C-151, meet with the recommendation of the Advisory Committee of Senior Federal Public Servants acting under the Legislation. It is clear then, that the second Federal-Provincial Agreement and FRED have modified the intentions of the Minister of Agriculture in respect of regional development and the 1961 ARDA Legislation. Local action remains important; Governments' responsibility for designating development or special development areas remains critical.

The concept of regional development is mainly embodied in the 1965-70 Federal-Provincial Rural Development Agreement. As we have noted above, section 27 of Part V of the Agreement provides for the designation of rural development areas. Equally important, the section ties projects and agreements concerning research, land use and farm adjustment, rehabilitation and rural development staff and training services in with projects or programs in rural development areas.

In addition, Part VI of the Agreement and FRED, contain provisions for comprehensive rural development programs in special rural development areas. While the regional concept is maintained, these particular and special provisions are designed to cope with limited areas in which major adjustment problems are inordinate and development potential within the area exists.

The concept of regional development follows from the fifth assumption discussed above concerning social and economic planning and the British North America Act. Simply stated, it maintains that effective social and economic planning must take into account the particular exigencies and conditions of local areas and regions in which there are adjustment problems related to technological change. The concept insists that these local and regional needs and conditions can only be ignored at considerable peril. Put another way, the concept assumes that the variation in social, economic and resource potential and conditions is such that national, as opposed to regional, planning is of limited, if any, value.

It does not follow that national questions, needs and interests are to be dismissed or ignored. To the contrary, the concept of regional development under ARDA provides for both Provincial and Federal co-ordination of regional projects and programs.

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[1] It is becoming more common for regions to owe their existence to political and administrative decisions than to some coincidence of "natural" phenomena. See J.E. HODGETTS, Regional Interests and Policy in a Federal Structure, The Canadian Journal of Economics and Political Science XXXII, February 1966.

Indeed, as we have pointed out, the concept includes Provincial and Federal decisions in respect of designating development and special development areas. In other words, the concept focusses on regional development within a provincial and national framework.

(c) Government Planning

The concept of Government planning under ARDA provides a framework in terms of which the concepts of self-help and regional development are realized.[1] The framework is complex and involved, to say the least. For purposes of clarity, and at the expense of over-simplification, we have chosen to examine the concept briefly in point form. First, provinces are assigned the responsibility for initiating projects and programs, and in the main, implementing them.[2]

Second, the objectives and operating policy of the programs must meet with Federal approval if agreements are to be entered into in respect of Federal financial contributions and agency involvement.

Third, there are a number of important criteria by which the objectives of programs proposed by the provinces are judged. The program must demonstrate a capacity to improve living standards, income and employment opportunities, or the employment and development of natural resources. In the case of special development areas, local participation and the potential for resource development within the area are critical. But above all, projects of a welfare nature do not, in and of themselves, qualify under the Act. The projects must be of a developmental nature. They may include temporary welfare measures; but measures of this kind must be integrated with concrete provisions for changing and improving resource use and improving income and employment opportunities.[3]

Fourth, the operating policy in respect of projects and programs involves the notion of a "mix". This is perhaps one of the most intriguing dimensions to the concept. Briefly, the operating policy involves delineating the particular human, social, economic and physical conditions obtaining in a rural or special rural development area, and then discovering and arranging the proper "mix" of programs, development techniques, Federal and Provincial Agencies and Departments for coping with the particular problem(s). The operating policy is thus flexible and amenable to changes in local and regional circumstances. To this end, section 5 of the 1965-70 Agreement provides for joint advisory committees of Senior Federal and Provincial Public Servants in each province.[4]

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[1] The concept includes, in addition, direct Federal research and investigation.

[2] For two excellent statements on Government planning, see the Introduction by the Minister of Forestry to the 1965-70 Federal-Provincial Rural Development Agreement, and A.T. Davidson, "Notes for a Talk", Ottawa: The National Advisory Council on Rural Development, December 15-16, 1965.

[3] For example, see section 22 of Part III of the 1965-70 Rural Development Agreement.

[4] In 1966, Committees were established in the provinces of Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba, Saskatchewan and Alberta. The Committees are composed of five senior civil servants; three, including the Chairman, are nominated by the Provincial Minister; the remaining two are appointed by the Federal Minister.

Fifth, the Federal ARDA Administration functions as a co-ordinator of planning at the national level and serves as a catalyst and clearing house of ideas and suggested programming. For example, in order to co-ordinate planning and programming at the Federal level, the ARDA Administration has working committees with numerous Departments and Agencies in Ottawa, including the Forestry Branch of the Canada Department of Forestry and Rural Development, PFRA, Department of Manpower and Immigration, the Economics Branch of the Department of Agriculture, Farm Credit Corporation, Area Development Agency, Atlantic Development Board, Dominion Bureau of Statistics, the Indian Affairs Branch of the Department of Indian Affairs and Northern Development, Treasury Board, Central Mortgage and Housing Corporation, Department of Fisheries, the Special Planning Secretariat of the Privy Council, but to mention a few. In addition, as we have mentioned, there are the Joint Advisory Committees with ARDA Administrations in the provinces. It is through this maze of committees that the Federal Government attempts to co-ordinate rural development and bring the influence of Federal experience, machinery and know-how to bear on regional development within the provinces.

This principle of administration and co-ordination is followed in arriving at agreements and executing comprehensive rural development programs in special rural development areas under FRED. For example, in the case of the Northeast New Brunswick Federal-Provincial Rural Development Agreement, a joint Federal-Provincial Advisory Committee of Senior Public Servants was convened to prepare a comprehensive rural development plan.[1] The plan was submitted to a Federal Advisory Board (as provided for in section 7 of Bill C-151) who reviewed the plan, made recommendations to the Minister, and arranged for the co-ordination of those Federal Departments and Agencies involved in the plan.[2] As a matter of interest, four Federal Departments and/or Agencies are directly involved in the plan: ARDA, FRED, the Manpower Division of the Department of Manpower and Immigration and Central Housing and Mortgage Corporation.[3]

The concept of Government planning under ARDA has a number of important and unique features. The concept proposes flexibility and is basically designed to cope with the question of social and economic planning on a regional basis where such planning is basically the prerogative of the Provincial Government.

The concept attempts to make efficient use of existing Government Departments and Agencies. Although it allows the creation of new Agencies for specific functions, it basically rests on the experience and machinery of existing Government Departments and Agencies. It attempts to co-ordinate existing programs and functions; at best, it attempts to re-direct the energies and activities of existing government machinery along paths appropriate to regional rural development.

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[1] The Agreement was signed on September 20, 1966.

[2] See the Hon. M. Sauve, "Notes for an Address to the Annual Meeting of the Two Regional Economic Councils of the Lower St. Lawrence and Gaspé, Rivière-du-Loup: October 23, 1966.

[3] See Part I of the Agreement for a review of the administrative procedures involved in the plan.

The concept does not include one approach to the question of regional development. To the contrary, it provides for a "mix" of programs, approaches, department and agency participation and involvement. The operating policy of the concept is designed to adapt to and meet the particular needs of different regions and locations, and programs appropriate to the development of same.

Finally, the concept calls for complicated and demanding administrative procedures.[1] It is important to note that both the Minister and the Assistant Deputy Minister in charge of ARDA are acutely aware of the challenge, the problems, the frustrations and the pitfalls involved in the kind of administration essential to the overall ARDA program. Awareness, however, does not remove the problem. It renders the problem more manageable. We shall have more to say on this point in later chapters.

THE DYNAMICS OF THE LEGISLATION

In light of the assumptions and concepts involved in ARDA, it is possible to summarize and highlight the essential features of the legislation.

(a) The legislation is permissive, yet permissive within limits. It allows for Federal-Provincial Agreements concerning projects or programs in respect of adjustment problems in rural Canada but attempts to restrict such programs to regional development projects which will improve income and employment opportunities, and provide for more effective and efficient use of natural resources in the area.

(b) Provinces are given initiative in designing, developing, proposing and executing most of the programs and projects qualifying under the Act, yet these projects must meet with Federal approval and agreement, and depend to a degree on Federal participation and financial assistance.

(c) The legislation permits and encourages the involvement and participation of individuals and local committees in the processes of planning and development, yet most of the critical decisions in respect of planning are in the hands of the Federal and Provincial Governments and Agencies thereof.

(d) The concept of Government planning is extremely flexible and amenable to a wide range of needs, conditions and circumstances. Yet the administrative procedures involved are extremely complex, if not cumbersome. The contrast is more than striking.

(e) The legislation emphasizes regional planning and development, yet provides for national co-ordination, and a national framework in which regional development can take place.

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[1] For example, the Canada Land Inventory has involved the participation of over 100 Federal and Provincial Agencies. The scope of the administrative task can be well imagined.

(f) Government social and economic planning is accepted as a functional and rational means of coping with adjustment problems arising out of technological change in Canadian rural areas, yet the same means are not considered in respect of the larger and changing industrial society.

(g) The legislation holds out the promise of a better life for those in rural areas who are poor and dispossessed, yet the "New Jerusalem" is defined in terms of our contemporary industrial civilization.

(h) The legislation provides procedures and techniques for dealing with rural adjustment problems, yet cannot be isolated from other measures designed to deal with more viable agricultural production.

CHAPTER III

THE RESPONSE OF THE PROVINCES

SUMMARY

Introduction
The Emergence of Provincial Legislation
The Principal Features of the Legislation
The Critical Issues

INTRODUCTION

We turn now to a consideration of ARDA Legislation at the Provincial level. In this chapter, we propose to examine the conditions under which provincial legislation emerged and highlight the principal features of the various Provincial ARDA Acts.

Two of the ten provinces - Alberta and Manitoba - chose to decline the opportunity of enacting special ARDA Legislation following the passage of the Federal Act in 1961. In the case of Manitoba, the Government decided to rely on the Federal-Provincial General Agreements and FRED for the purpose of undertaking and carrying out ARDA projects. The same is largely true of Alberta. However, Alberta had, prior to 1961, enacted several pieces of legislation which anticipated, in effect, some of the more important provisions of the Federal ARDA Legislation. For this reason, the legislation in question will be briefly reviewed.

THE EMERGENCE OF PROVINCIAL LEGISLATION

A number of observations by Provincial ARDA Officials concerning the history of ARDA Legislation in their respective provinces are revealing.

> "To be frank, the question was how to get our hands on Federal money made available through ARDA. Among other things, we had to have legislation. So we drew it up and the Legislature passed an Act."
>
> "For us, ARDA was something new. We passed legislation to qualify for cost-sharing arrangements with the Federal Government."
>
> "We still haven't really got our ARDA program worked out. This is something new for us. The first thing was the money. We recognized ARDA as a source of Federal money. It was later that we began - at least some of our people began - to see some of the social and economic possibilities of ARDA for.... (our province)."

> "When we had a chance to study the implications of ARDA (Federal), we realized that this was not merely another of Alvin's schemes. There was considerable potential in ARDA for social and economic development. We approached it with this in mind."

Among the provinces studied, we found these remarks to be typical in one respect. ARDA was something new; it required some kind of Provincial response to Federal initiative and Federal ideas.

It would be tempting, but inaccurate, to suggest that ARDA was "imposed" on the provinces by the Federal Government. It would be more to the point to say that the Federal Government, and in particular, the Minister of Agriculture, seized the initiative in 1961 and developed a plan which envisaged and provided for provincial participation and initiative.

There is no question that the Federal Minister and some of his Advisors and Officials consulted with the provinces prior to the introduction of Bill C-77 in March of 1961. There is reason to believe that provincial reaction at this time ranged from approval and interest, through skepticism, to utter indifference. When the Federal Legislation was passed by Parliament, it remained for the provinces to decide if, when and how they were to respond to a program and promise conceived and initiated at the Federal level.

Before examining the provincial response, it is important to recall that the Federal Legislation provided for provincial initiative in ARDA programming. Indeed, it may be said that apart from Federal research, including the Canada Land Inventory, the Federal Legislation limited the Federal Government to entering into agreements concerning projects designed and developed at the provincial level. In this regard, the Federal Legislation assigned a critical role to the provinces. It is necessary to consider the provincial response to the Federal Legislation in light of this fact.

The manner in which the provinces responded was in some respects uniform and obvious. Each province entered into agreements with the Federal Government concerning projects provided for in the First Federal-Provincial General Agreement (1962-65). Most provinces passed complementary legislation, beginning with British Columbia in March of 1962, and ending with Saskatchewan in April of 1964.[1]

The distribution of projects under the First Agreement provides a clue to the nature of the provincial response. Some 60% of the projects involving cost-sharing arrangements with the Federal Government were devoted to alternative land use and soil-water conservation.[2] (See Table I). Rural development projects accounted for some 7% of the total; research accounted for some 32% of the shareable cost projects.

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[1] In March of 1966, Newfoundland repealed its 1963 Legislation, replacing it with the Department of Community and Social Development Act, 1966.

[2] Source: The ARDA Catalogue: 1962-65, Ottawa: Dept. of Forestry, 1965. The total number of 683 projects does not include 46 Federal, national research projects.

Table 1 - Distribution of ARDA Projects by Type: 1962-65

Type of Project[1]	*Number*	*Percent*
ALU	211	30.9
S&W	206	30.2
RD	50	7.3
FR	120	17.5
R	96	14.1
Total	683	100.0

The concentration of projects in alternative land use and soil-water conservation is further evident if one examines the distribution of projects by province. Seven of the ten provinces had at least 50% or more of their projects in the alternative land use and soil-water conservation categories. (See Table 2)

Table 2 - Distribution of Projects by Province: 1962-65[2]

Type of					% by Provinces					
Project	*Nfld.*	*P.E.I.*	*N.S.*	*N.B.*	*Que.*	*Ont.*	*Man.*	*Sask.*	*Alta.*	*B.C.*
ALU	4.1	34.3	31.6	34.1	13.1	56.8	15.2	57.9	46.2	14.3
S&W	4.1	31.4	22.8	13.6	59.1	15.9	11.9	22.1	12.8	54.3
RD	6.1	5.7	3.5	2.3	18.8	2.3	10.2	1.4	--	--
FR	55.1	14.3	19.3	18.2	2.7	6.8	25.4	6.9	12.8	20.0
R	30.6	14.3	22.8	31.8	6.3	18.2	37.3	11.7	28.2	11.4
Total %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number	49	35	57	44	176	44	59	145	39	35

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[1] The code for types of projects is as follows: ALU - alternative land use; S&W - soil-water conservation; RD - rural development; FR - Federal research; R - research.

[2] Source: The ARDA Catalogue: 1962-65, Ottawa: Dept. of Forestry, 1965. The total number of projects is 683, that is, Provincial projects involving Federal cost-sharing.

For six of these provinces, the remaining projects were concentrated in the research category, the exception being Quebec, where 18.8% of the total number of projects undertaken by the province fell in the rural development category. Of the remaining three provinces - Newfoundland, New Brunswick and Manitoba - projects were concentrated in the research category.

In considering these data, two points stand out. First, the initial experimentation by the provinces with the new ARDA Legislation tended to involve natural resources and research. More often than not, projects concerning natural resources represented an expansion or continuation of on-going provincial projects and programs. This was particularly true of the Provinces of Ontario and Saskatchewan. Second, the relatively small number of rural development projects concerning human, as well as natural resources, suggests that the provinces were not initially cognizant of or at least prepared to explore and exploit the development and planning potential inherent in the Federal Legislation.

This last point is borne out by a consideration of the reasons underlying Provincial Legislation. There were, of course, a number of factors involved in the decision of the provinces to enact complementary legislation. Not the least among these was the presence of rural poverty and the political appeal of ARDA - an appeal largely generated by the former Minister of Agriculture. Yet, there is reason to believe that in most, if not in every case, the principal consideration concerned money or revenue.

For some provinces, the 1961 ARDA Legislation was primarily regarded as a new and possibly a convenient source of Federal money. Mention, of course, was made of rural poverty and need to "do something about it". But the central issue appeared to be revenue and devising ways and means by which a province might qualify for additional federal funds. As one respondent put it:

> "I was hired for the sole purpose of finding out how we could make use of ARDA money. We had no programs in mind. When you come down to it, we went after the money. The development philosophy came later. This is not true either. We have not got a rural development philosophy."

A respondent in another province put it this way.

> "We weren't quite sure what ARDA could do or how it would fit into .... (our province). Our approach was pragmatic. We weren't prepared to turn away Federal funds if we could get our hands on them and use them. You will note that our legislation is basically straightforward. It represents the bare minimum."

In these particular cases, the issue was chiefly one of acquiring additional Federal funds for provincial purposes. The focus of the response was on revenue. The development of programs - at least initially - was regarded as a necessary and expedient price to pay in order to accomplish this particular end.

For other provinces, ARDA primarily represented an avenue for cost-sharing ongoing provincial agricultural and resource programs. Again, mention was made of rural poverty, and the necessity of coping with it in some constructive way. But the focus of the response was mainly on financing, on revenue. The provinces in question had already developed a number of agricultural and resource programs prior to the passage of the 1961 Federal Legislation. The question revolved around financing the continuation and expansion of existing programs with the assistance of Federal funds. As one respondent put it:

> "Arda was not really something new. Our province has been involved in resource development and rural programs long before ARDA came along. At the same time, ARDA indicated a willingness on the part of the Federal Government to assist in the financing of rural development and resource programs. We were pleased to co-operate."

It would appear then, that revenue was the principal consideration which prompted the provinces to respond to Federal initiative and a Federal program. It is not surprising that projects developed and approved during the First Agreement (1962-65) were concentrated in the general area of natural resource development and research. The development of, and the expansion and continuation of natural resource programs represented a convenient way of acquiring Federal funds. Research proved to be an even easier and less troublesome avenue for tapping the federal kitty. As one disgusted Senior Public Servant observed: "The quality of much of the research proves it".

It may be asked whether the more demanding challenge of rural development, of regional, social and economic planning was totally ignored by the provinces in the course of responding to the 1961 Federal Legislation. The inventory of projects in Tables 1 and 2 would suggest that by and large it was. There were only 50 rural development projects undertaken during the course of the First Federal-Provincial Agreement, 33 of which were in the Province of Quebec.

At the same time, there is evidence to indicate that at least two provinces paid some attention to this question in the course of designing legislation and implementing programs. In the case of one, a consideration of regional economic development and planning had been well under way by the time the Federal Government introduced the ARDA Legislation. In one respect, the 1961 ARDA Legislation was regarded, among other things, as emphasizing planning and development in rural areas or regions. In the case of the other province, legislation was drawn up and introduced following several years experience with the First Provincial Agreement. It was recognized that Provincial programming was not making effective use of the development and planning potential within ARDA. The legislation in question attempted to correct this shortcoming.

THE PRINCIPAL FEATURES OF THE LEGISLATION

Let us turn now to an examination of the principal provisions of Provincial Legislation. Three provinces - British Columbia, Prince Edward Island and Newfoundland - drew up and passed identical legislation within two years following the passage of Federal ARDA.[1] In each case, provision was made for the Lieutenant-Governor in Council to authorize the Minister of Agriculture (the Minister of Economic Development in the case of Newfoundland) to enter into and carry out an agreement(s) with the Minister of Agriculture of Canada regarding projects concerning alternative land use, rural development and soil and water conservation. No specific mention was made of research projects. Each province limited itself to spending, advancing, loaning and granting an amount of money not exceeding the monies expended and the financial liabilities incurred by the Federal Government. In the absence of an appropriation of money by the Legislature for the purpose of carrying out the Act, expenses incurred were to be paid out of the Consolidated Revenue Fund.

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[1] As noted above, Newfoundland developed more comprehensive legislation in 1966. The provisions of same will be discussed below.

Equally brief and to the point, the Quebec Legislation displays subtle differences in wording and emphasis. The Agricultural and Rural Development Act is an amendment to the Department of Agriculture and Colonization Act.[1] The key provision is contained in Section 28.

> "The Minister (of Agriculture) is charged with the preparation of projects for the technical, economic and social development of any rural area, and with the carrying on of investigation and research for such purpose."

Specifically, the Act provides for projects concerning the renovation and improvement of agricultural enterprises, the establishment of research centres or other institutions for the general benefit of agriculture, domains, reserves, parks, quarries and undertakings of general or collective interest. Provision is made for soil-water conservation and improvement and the promotion of agricultural industries including processing, storage and marketing establishments. The Minister is further empowered to establish advisory or management committees concerning the projects covered under the Act.

While there are no specific provisions in the Act concerning administrative machinery, Section 29 prohibits the Minister from undertaking any project relating to any matter under the jurisdiction of another Department or public body without their consent.

With the approval of the Lieutenant-Governor in Council, the Minister may acquire and dispose of marginal lands, and enter into agreements with public and private bodies and other governments for the purpose of carrying out the intent of the Act. All projects under the Act are to be financed out of monies voted annually by the Provincial Legislature.

More comprehensive and specific legislation can be found in the Provinces of New Brunswick, Ontario, Saskatchewan, and, since 1966, Newfoundland. In addition to providing for agreements between the Province and the Federal Government concerning alternative land use, rural development and soil-water conservation, the Province of New Brunswick made specific provision for research in respect of these projects. Moreover, the Act is specific in regard to a number of items concerning: *(a)* the use of existing services of Government Departments and Agencies, *(b)* the designation of authority for the undertaking , operation and maintenance of any project and, *(c)* the appointment of advisory committees and the remuneration of the members of same. The Act further empowers the Lieutenant-Governor in Council to create a body corporate and politic as an Agency of the Government for the purpose of carrying out any terms of an agreement. The Lieutenant-Governor in Council is further empowered to grant financial assistance to individuals in regard to alternative land use, and may make regulations deemed necessary or desirable for the purpose of carrying out the provisions of the Act. The Minister of Agriculture may, with the approval of the Lieutenant-Governor in Council, purchase, lease, or otherwise acquire real and personal property to be used for and in connection with any project agreed under the Act. Finally, all expenditures for the purposes of the Act are to be paid out of money appropriated by the Legislature.

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[1] Revised Statutes, 1941, Chap. 103, enacted by Sec. 1 of the Act 10-11 Elizabeth II, Chap. 28.

The provisions of the Ontario Legislation concerning alternative land use, rural development, soil-water conservation, research projects in respect of these items, regulations regarding the administration of the Act, the appointment and remuneration of advisory committees and the Legislative appropriation of money for the purpose of carrying out the intent of the Act, are identical to those found in the New Brunswick Legislation.

Unlike New Brunswick, the Ontario Legislation makes no mention of the use of existing Government Departments and Agencies in carrying out projects under the Act. Like New Brunswick, the Ontario Act makes provision for the establishment of a body corporate for the purpose of implementing the intent of the legislation. The nature and powers of this body, along with the New Brunswick body, will be examined in subsequent chapters.

Of the three provinces under consideration, Saskatchewan has developed the most extensive and detailed legislation. Like New Brunswick and Ontario, the Saskatchewan Legislation makes provisions for agreements concerning alternative land use, soil-water conservation and rural development. However, the provisions of the legislation in these respective cases are far more detailed. An example will serve to illustrate.

Section 9 of the Act deals with research concerning the utilization of land and water resources. It reads as follows:

> "The Lieutenant-Governor in Council may authorize the Minister to enter into agreements with the Government of Canada, or any Agency thereof, providing for the undertaking jointly of research, studies and investigations:
>
> *(a)* for the purpose of providing information necessary for the determination of desirable adjustments in the agricultural industry and in the utilization of land and water resources and for the development of programs, policies and projects required to assist or encourage such adjustments; and,
>
> *(b)* without restricting the generality of the foregoing, with respect to marketing, land capability studies, soil surveys and such resource utilization studies as may be required to delineate areas where special projects or programs may be desirable.[1]

Moreover, the Saskatchewan Legislation specifies the Agencies of Government, Municipal Councils and voluntary organizations subject to participation in soil-water, alternative land use and rural development projects, as well as the terms of participation in each respective case.

The provisions dealing with rural development are again detailed and specific. Section 19 reads as follows:

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[1] The Revised Statutes of Saskatchewan, 1964, Chap. 61, An Act to provide for Assistance in Agricultural Development and Adjustment.

> "The Lieutenant-Governor in Council may authorize the Minister to enter into agreements with the Government of Canada providing for:
>
> *(a)* the undertaking jointly with the Government of Canada, or any Agency thereof, of programs of research and investigation for the purpose of assisting in the development of income and employment opportunities and for the purpose of improving standards of living in areas declared under section 21 to be rural development areas;
>
> *(b)* the undertaking jointly with the Government of Canada, or any Agency thereof, of projects for the development of income and employment opportunities and for improving standards of living in areas declared under section 21 to be rural development areas;
>
> *(c)* the undertaking jointly with the Government of Canada, or any Agency thereof, of projects:
>
> > *(i)* for the training of persons carrying on farming operations on lands that, by reason of their low productivity or unsuitability for cultivation, are to be affected by, or used, in any project;
> >
> > *(ii)* for the relocation and re-establishment of persons carrying on farming operations on any such lands.[1]

Unlike New Brunswick and Ontario, Saskatchewan has invested the authority for the development and implementation of projects under the Act in the Minister of Agriculture alone. There is no provision for a corporate body for the purposes of implementing the intent of the legislation. The Minister alone is given authority to acquire, lease or exchange lands or other property in respect of projects, and to construct, operate or maintain any project.

However, the legislation makes specific provision for the establishment and appointment of advisory boards.

First, there is provision for an Agricultural Development Advisory Board for the purpose of advising the Minister of Agriculture concerning research in respect of rural development programs, market opportunities and limitations, land capabilities, the establishment of rural development areas, solutions to problems in rural development areas and such other matters as may be referred to the board by the Minister. The Board may be comprised of no more than twelve members, including the Deputy Minister of Agriculture (Chairman), the Deputy Minister of Natural Resources and the Deputy Minister of Municipal Affairs. Provision is made for the appointment to the Board of one member by the Deputy Minister of Agriculture for Canada, by the Director of the Centre for Community Studies, by the Saskatchewan Association of Rural Municipalities, by the Saskatchewan Farmers Union and by the Saskatchewan Federation of Agriculture; two members may be appointed by the Dean of the College of Agriculture at the University of Saskatchewan and by the Lieutenant-Governor in Council.

Second, provision is made for the appointment of rural development councils in rural development areas, the purpose of which is to undertake studies within the area with a view to recommending or undertaking programs or projects for the development of income and employment opportunities and improving the standard of living in the area. The size of the council, and the number of organizations represented on it, is left to the discretion of the town, village and rural municipal councils lying wholly or partly within the rural development area.[1] In this connection, it is important to note that the legislation makes specific provision whereby one or more rural municipal councils can make application to the Minister of Agriculture regarding the designation of a rural development area.

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[1] Ibid.

Finally, the Saskatchewan Legislation contains two specific provisions:

(a) provincial loans to low income farmers for the purpose of acquiring land, livestock, machinery and farm buildings;

(b) educational assistance to farmers who have sold their land and are seeking upgrading and retraining.[2]

Mention has been made of the fact that the Province of Alberta has no specific ARDA Legislation. It should be pointed out, however, that Alberta is not without legislation precedent in regard to alternative land use, rural development and soil-water conservation.

First, the Utilization of Lands and Forests Acts of 1955 authorizes the Minister designated by the Lieutenant-Governor in Council to promote recognized and approved farm, fishing, lumbering or reforestation practices, and range management and community effort and enterprise and such other efforts, practices and enterprises as will foster better living conditions for those dependent upon the land, forest and water resources of the province.[3] In addition, the Act provides for alternative land use and soil-water conservation projects. Further, provision is made for interdepartmental co-ordination through the appointment of a Conservation and Utilization Committee, including representatives from the Departments of Agriculture, Lands and Forests, Municipal Affairs and from the Power Commission.

Second, the Agricultural Service Board Act of 1955 provides for the appointment of advisory boards at the municipal district, county or improvement district level, for the purpose of advising and assisting the respective local government and/or the Minister of Agriculture in respect of weed control, soil and water conservation, the control of livestock disease, improved land utilization and the promotion and development of agricultural policies designed to meet the needs of the district.[4]

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[1] The agricultural representative is authorized to call a meeting of council representatives to appoint a rural development council in a designated rural development area. In addition to town, village and rural municipal districts, Agricultural Conservation and Improvement Committees, are entitled to send representatives to the organizational meeting.

[2] To this end, loans not exceeding $8,000, for a two-year period, up to an aggregate total of no more than $20,000, are available to producers who qualify for assistance. In terms of educational assistance, farmers between the age of 21 and 60, who sell their farm and realize less then $15,000 from the sale, may qualify for assistance. The terms of assistance to be worked out between the individual and the Minister of Education.

[3] Revised Statutes of Alberta, 1955, Chap. 354.

[4] Revised Statutes of Alberta, 1955, Chap. 9

Third, the Special Areas Act of 1964, being an amended and revised version of legislation originating in the thirties, provides for the designation of special development areas and programs in respect of rehabilitation and resource development within the area.[1] In 1942, four special areas were designated;[2] although no new areas have been designated since, the legislation in question is similar to the provisions in the Saskatchewan Act for the purpose of establishing a rural development area.

It may be said then, that the absence of ARDA Legislation in Alberta does not constitute a legislation vacuum in regard to ARDA policies and programs. The Utilization of Lands and Forests Act, the Agricultural Service Board Act and the Special Areas Act provide a legislative framework within which ARDA programs and projects can develop and grow. The important point to keep in mind is that the legislation in question provides for alternative land use, soil-water conservation, the designation in effect of development areas and rural development programs.

Finally, let us consider the case of Newfoundland and the Department of Community and Social Development Act of 1966. The Act authorizes the Minister of Community and Social Development to be responsible for all matters relating to the promotion generally of community or social development in the province including co-operation and the entering into agreements with the Federal Government concerning *(a)* ARDA and any other Federal Act relating to community and social development, *(b)* the Federal war on poverty as it applies to Newfoundland, *(c)* the activities of the Company of Young Canadians within the province, and *(d)* all matters related to the centralization of the population of the province. In addition, the Act provides that the Minister, subject to the approval of the Lieutenant-Governor in Council, may cause to be prepared and undertaken programs of research and investigation in respect of these matters - either alone, or in co-operation with the Federal Government.

As in the case of New Brunswick, the Act requires, where possible, the use of existing services and facilities of established Government Departments in carrying out projects under the legislation. Provision is made for consultation with industry, labour, producers, etc., and the establishment and appointment of advisory committees.

The Minister is given authority to acquire real property to hold and manage same, or to dispose of it through sale, lease or rent. The right to make regulations concerning the purposes and provisions of the Act is reserved to the Lieutenant-Governor in Council. The administration of the Act, and any payments to be made in respect of projects under the Act are to be financed by the Minister of Finance, on request of the Minister, out of the Consolidated Revenue Fund of the province.

The Newfoundland Legislation is clearly broader in scope than that of the other provinces. It provides for Federal-Provincial Agreements concerning ARDA and any other Federal Act related to social and community development. The emphasis on social and community development and the absence of any specific mention of alternative land use and soil-water conservation is unique.

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[1] Revised Statutes of Alberta, 1964, Chap. 87

[2] Revised Statutes of Alberta, 1942, Chap. 317, Schedule pertaining to Sec. 3.

This examination of the essential provisions of ARDA Legislation within the provinces is somewhat detailed and difficult to digest. It is convenient, therefore, to summarize the discussion as follows:

(a) Eight of the ten provinces provide for agreements with the Federal Government concerning alternative land use, soil-water conservation and rural development. The Province of Alberta relies on Provincial Legislation related to land and forest utilization and special area. The Province of Newfoundland has a general provision (Section 8) in the Department of Community and Social Development Act concerning ARDA projects and agreements.

(b) Five provinces - New Brunswick, Quebec, Ontario, Saskatchewan, and since 1966, Newfoundland - make specific provisions for agreements concerning research pertaining to alternative land use, soil-water conservation and rural development. Two provinces - British Columbia and Prince Edward Island - make no such specific provision.

(c) Two provinces - Saskatchewan and Alberta - make specific provisions for the establishment of rural development areas. In the case of Alberta, the provision in question is effectively contained in the Special Areas Act, as amended in 1964.

(d) Three provinces - New Brunswick, Quebec and Newfoundland - make specific provisions for the use of existing Government Departments, Services and Agencies where possible in implementing the legislation.

(e) Six provinces - Newfoundland, New Brunswick, Quebec, Ontario, Saskatchewan and Alberta - grant authority to the responsible Minister or Crown Corporation or Directorate responsible for implementing legislation to acquire, hold, sell, lease or rent real property.

(f) Two provinces - Ontario and New Brunswick - make provisions for the establishment of an ARDA Directorate in the case of Ontario, and the Community Improvement Corporation in the case of New Brunswick for the purpose of implementing agreements under the Act.

(g) Two provinces - Saskatchewan and Alberta - make specific provision for local involvement in rural development programs as in the case of Rural Development Councils in Saskatchewan and Agricultural Service Boards in Alberta.

(h) With the exception of British Columbia and Prince Edward Island, all provinces provide for the establishment, appointment and remuneration of advisory committees or boards.

(i) Of all the provinces, Newfoundland alone does not finance ARDA projects and the administration of the Act through appropriations by the Legislature. Rather, the projects and administration of the Act are financed, upon request, by the Minister of Finance out of the Consolidated Revenue Fund. Alberta presents a special case. The administration of the ARDA office is provided for in appropriations to the Department of Agriculture by the Legislature. Monies for specific projects are budgeted for by the various Departments involved.

THE CRITICAL ISSUES

(a) The Nature of the Response

The 1961 Federal Legislation, the consultation between the Federal and Provincial Governments concerning the legislation and the Resources for Tomorrow Conference all represented attempts on the part of the Federal Government to inaugurate a program of rational resource use and rural development in co-operation with the provinces. The provinces responded in terms of one consideration: money. The contrast between federal expectations and provincial responses is striking, to say the least.

The nature of the provincial response is reflected in the kind of programming undertaken in the course of the First Federal-Provincial General Agreement. Conspicuously absent is any significant evidence of long range, comprehensive planning in respect of resource use and rural development. The emphasis, rather, was on ad hoc resource projects; projects that were relatively easy to design; projects that lent themselves to tapping the federal coffers with a minimum of effort and commitment.

The promise of the 1961 ARDA Legislation was real; but so was the initial response of the provinces. There is no question, as we shall see in subsequent chapters, that federal encouragement and expectations have paid some dividends. One need only mention the Fred Agreements with New Brunswick and Manitoba to illustrate the point. But it is equally clear that the initial response of the provinces frustrated these expectations and both delayed and tempered the unfolding of ARDA's potential. A comment by one Provincial Public Servant is painfully to the point.

> "There is no sense of urgency about ARDA in this province and others I have visited. In the meantime, the poor get poorer. No amount of political hogwash can obscure or diminish this tragedy."

(b) The Provincial Legislation

It is not without significance that two provinces - Manitoba and Alberta - saw no necessity in enacting complementary ARDA Legislation. Indeed, it is difficult to assign significance to the legislation enacted by the remaining provinces.

Some of the legislation is brief and permissive; other provincial Acts are involved and more specific. In any event, there does not appear to be any relationship between the presence and provisions of legislation on the one hand, and performance and programming on the other. For example, the Saskatchewan Legislation makes specific provisions for community involvement and participation in the ARDA process; the Ontario Legislation does not. However, as we shall see in the following chapter, Ontario has established a considerable number of local country ARDA boards and thereby attempted to involve the local community; no comparable development has taken place in Saskatchewan. Consider another example. An area development program has been undertaken in the Province of Alberta; no such comparable program has been undertaken in the Province of Ontario. The one province has no ARDA Legislation; the other has a detailed and specific Act. Or consider the question of comprehensive rural development agreements under FRED. Agreements of this kind have been signed by the Provinces of Manitoba and New Brunswick. Manitoba has no ARDA Legislation; New Brunswick has enacted two Bills in respect of ARDA and regional development and planning. The relation between legislation and programming is by no means apparent.

The reasons, we submit, are several.

First, the legislation enacted by the provinces complements the 1961 Federal Act, and sanctions Federal-Provincial Agreements concerning resource use and rural development. As one Public Servant in Manitoba observed, the heart of the Federal ARDA Legislation is Federal Provincial Agreements. A province does not necessarily require legislation to enter into arrangements of this kind. In fact, the agreements themselves are more indicative of programming than the various Provincial Acts - a point that will be examined and developed in the following chapter.

Second, there are few, if any precedents for the kind of programming envisaged by ARDA. Provinces have been forced to develop procedures for handling ARDA programs. Some provinces have spelled out these procedures in a formal manner and included them in the legislation. Others have not. It is not surprising that on occasion, the formal blueprints have little bearing on, or relation to what actually takes place. It is important to keep in mind that ARDA programming is still at the experimental stage. Given a changing situation, the effective guide to procedures is more likely to be found in what people do, rather than in what they claim or propose to do.

CHAPTER IV

THE VARIATION IN PROGRAMMING

SUMMARY

Introduction
The Range of Programs
The Origin of Programs
The Development and Implementation of Programs
The Critical Issues

INTRODUCTION

The Legislation established in the provinces provides a framework, along with the Federal Act and the Federal-Provincial General Agreements, within which ARDA programs develop. Yet this framework provides nothing more than a clue to the actual variation in the range and techniques of programming at the provincial level.

In this chapter, we propose to examine the scope of and variation in programming among the provinces with a view to throwing light on the following questions: What is the range of programs within the provinces? How do programs originate; and, how are they developed and implemented?

THE RANGE OF PROGRAMS

Reference has been made to the range of projects under the First Federal-Provincial General Agreement (1962-65).[1] Data are available for the first year (April 1, 1965 to March 31, 1966) of the Second General Agreement. It is difficult to assess program development under the second five year agreement on the basis of one year alone. Nevertheless, a summary of the data is somewhat indicative of a shift in program development.[2]

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[1] See Tables 1 & 2, Chap. III.

[2] The new agreement provides for a more elaborate classification of projects. The alternative land use category was modified to include farm adjustment projects; special rural development areas, rehabilitation, rural development staff and training services and public information services are new categories. Soil-water conservation and research remained as in the first agreement.

It will be recalled that federal-provincial projects under the First Agreement were concentrated in the area of natural resources and research. For the first year of the Second Agreement, roughly two-thirds (66.3%) of the total number of projects within the provinces were concentrated in the areas of research, soil-water conservation and rural development.[1] To be more specific, research accounted for 32.8% of the total number of 298 projects: soil-water conservation accounted for 16.4% of the total; and rural development projects accounted for 17.1% of the total.

The distribution of projects among the ten provinces was not as concentrated as in the case of the First Agreement, although 43.7% of the projects were to be found in three provinces: British Columbia, Nova Scotia and Quebec. Of the three, British Columbia had the least number of projects (9.1% of the total) but the highest average federal investment per project ($137,605). In contrast, New Brunswick accounted for 5.4% of the total number of projects, with an average federal investment per project of $30,322 - the lowest for the ten provinces.

Research projects tended to be concentrated in Quebec (28.8% of the total), Alberta (16.7% of the total) and Newfoundland (10.6% of the total). Land use and farm adjustment projects tended to be concentrated in Ontario (31.0% of the total) and Prince Edward Island (27.6%). With the exception of Newfoundland, Nova Scotia and British Columbia, each of the remaining seven provinces had at least one rural development staff and training service project.

Soil-water conservation projects were emphasized in the Province of Prince Edward Island (22.4% of the total) and federal research projects (within provinces) were concentrated in Nova Scotia (46.9%).

Insofar as these data are based on a one year period, they leave something to be desired. Their descriptive value is enhanced by a consideration of the survey of ARDA undertaken by the Canadian Centre for Community Studies and the field notes gathered by the author in the course of his visit of the provinces.[2]

The range of programming in the Province of Newfoundland is modest by comparison. Apart from a small number of minor projects concerning community pastures, clearing and breaking, blueberry projects and experiments with mechanization in the inshore and offshore fisheries, the focus of attention was on research and designing a strategy for ARDA development in the province. The 1966 Department of Social and Community Development Act is a product of this activity. It would be a mistake to conclude, however, that the legislation - largely the work of a Federal Public Servant on loan to the province - represents the fruition of a development strategy. Such is not the case. The question of strategy remains in flux, a matter of some controversy.

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[1] Source: The ARDA Catalogue: April 1, 1965-March 31, 1966, Ottawa: Department of Forestry, 1966. The total number of projects under consideration is 298. This figure does not include national research and Canada Land Inventory projects of an interprovincial or national scope.

[2] See H. BUCKLEY & E. TIHANYI, Canadian Policies for Rural Adjustment: A Study on the Economic Impact of the ARDA, PFRA and MMRA Programs, Ottawa, Economic Council of Canada, 1967.

In one respect, Prince Edward Island resembles Newfoundland: the number of projects undertaken in the province is small and insignificant in terms of coping with basic adjustment problems. At the same time, the entire province has been declared a special development area and a comprehensive rural development plan is being prepared.

Farm consolidation and land use programs, along with comprehensive rural development plans, have played a prominent role in Nova Scotia and New Brunswick. It may be said that Nova Scotia has pioneered a program of farm consolidation and land use and regards this program as central to ARDA activity in the province. Moreover, the eastern portion of the province has been declared a pilot area for the purpose of developing a comprehensive rural development plan. The province is presently negotiating with the Federal Government with a view to preparing a plan under FRED. In New Brunswick, comprehensive rural development planning under FRED have dominated ARDA programming. On September 20, 1966, the province signed the first two agreements negotiated with the Federal Government under the new FRED Legislation, namely, the Mactaquac and the Northeast New Brunswick Agreements. The total estimated cost for the two plans is $110,200,000. At the same time, the province has embarked on a farm consolidation and land use program. In addition, it has undertaken research in preparation of a "mini-plan" - under ARDA - in Madawaska and Northern Victoria counties.

Four distinguishing characteristics mark ARDA programming in Quebec. First, the province leads in the total number of projects undertaken - 176 during the period of the First Agreement alone. Second, Quebec has undertaken a number of experimental projects in the Northwest - an area almost unsuitable for agricultural development. The programs include assistance to farmers for breaking and clearing, woodlot programs, blueberry studies and production and the establishment of a community pasture. Third, the province has focused considerable attention on river, stream and drainage improvements. Some 59% of the total number of projects with the province during the period of the First General Agreement were devoted to soil-water conservation. Finally, the province agreed to the establishment of the *Bureau d'aménagement de l'est du Québec* (BAEQ) in July of 1963, with a view to confronting the social and economic problems of Northeastern Quebec and conducting an experiment in regional planning and development.

There is something deceptive about ARDA programming in Ontario. Unlike New Brunswick and Quebec, the drama surrounding comprehensive rural development planning is absent. During the period of the First General Agreement, Ontario undertook 44 projects, compared with 176 in Quebec, 145 in Saskatchewan, 59 in Manitoba and 57 in Nova Scotia. According to Buckley and Tihanyi, total federal expenditures to July 31, 1966, are less than federal expenditures in the other provinces with the exception of Prince Edward Island.

At the same time, the federal financial commitment to ARDA programs in Ontario for the period of the First Agreement was some $60,000 per project, the third highest among the ten provinces. Moreover, a closer examination of projects in the province reveals a greater scope and amount of activity than some of the figures we have cited would suggest. Farm consolidation and enlargement (patterned after Nova Scotia's program), irrigation and drainage programs, upgrading, retraining and mobility programs, community pastures and the acquisition of agricultural marginal land for forestation are among the more important developments within the province.

The principal feature of ARDA programming in Manitoba has been the research related to, and the preparation of a comprehensive development plan for the Interlake region. An agreement under FRED concerning the plan was undertaken by the Provincial and Federal Governments on May 16, 1967. In addition, the province has focused attention on flood control and drainage projects. A number of projects concerning alternative land use involving the conversion of farm land to park use and forestation have been undertaken.

Considerable emphasis has been placed on soil-water conservation and alternative land use projects in the provinces of Saskatchewan and Alberta. Projects concerning community pastures, drainage and watershed improvements, soil erosion and control have predominated and, in most cases, represent a continuation or expansion of provincial programs in existence prior to 1961. In Saskatchewan, a considerable amount of social and economic research was undertaken in Census Division 16. In addition, the province undertook a comprehensive manpower study. No concrete comprehensive plans have resulted from the research investment. In Alberta, a province-wide education program concerning rural development and the designation of a rural development area have been undertaken. In regard to the latter, a development plan has been prepared and has been submitted to the Provincial Cabinet for consideration.

The principal feature of ARDA programming in British Columbia has been irrigation, water management and storage projects. In October of 1965, the province undertook a social and economic study of the province with a view to designating areas for rural development. The study is now complete; the province is prepared to give consideration to applications from communities in designated areas for rural development projects.

This brief review of what we consider the highlights of ARDA programming in the provinces illustrates the range of programs undertaken since 1961. If we think of the range as a continuum, the scope of programming extends from ad hoc assistance and natural resource projects to more comprehensive regional development programs, including human, as well as natural resources.

It is clear that the experience with, and the utilization of ARDA within the provinces have not been uniform. Quebec has undertaken a balanced program of ad hoc projects, experimentation (as in the Northwest) and comprehensive planning (as in the Northeast). Ontario has developed a wide range of natural resource and social adjustment and rehabilitation projects, without becoming involved in the kind of activities represented by the BAEQ.

New Brunswick and Manitoba have focused attention on comprehensive regional planning under FRED. In addition, New Brunswick has embarked on a farm consolidation and land adjustment program, as well as on the development of a "mini-plan" in the Northwest corner of the province. Manitoba in turn has undertaken a considerable number of projects related to soil-water conservation.

Saskatchewan, Alberta and British Columbia have tended to concentrate on ad hoc natural resource programs. In the case of Alberta and Saskatchewan, the projects in question largely represent a continuation of provincial programs established prior to 1961. Alberta has taken concrete steps towards more comprehensive regional planning than either Saskatchewan or British Columbia, although it may be said that the latter two provinces have indicated some interest in moving in this direction.

Nova Scotia has pioneered in farm consolidation and land adjustment programs and is in the process of negotiating a comprehensive regional development plan under FRED. Prince Edward Island and Newfoundland have both undertaken research in respect of regional planning, however, the negotiation of a Federal-Provincial Agreement under FRED has not been completed, and in the case of Newfoundland, may not be undertaken.

THE ORIGIN OF PROGRAMS

One of the critical concepts involved in the ARDA legislation and program is that of self-help. It is proper to begin an examination of the origins of ARDA programming by asking whether groups of individuals, voluntary associations and/or local rural governments played a role in the initiation of projects and programs in the provinces.

The answer in the main is both yes and no. There is evidence to indicate that ARDA projects and programs tend to originate in the offices of Public Servants and Cabinet Members. At the same time, there is reason to believe that the deliberations and decisions of Public Servants and Government include a consideration of grass root demands, suggestions and requests. Let us consider some cases in point.

On January 23, 1963 - roughly three months following the signing of the First Federal-Provincial General Agreement - the Province of New Brunswick designated Eastern Restigouche, Gloucester and Alnwick Parish in Northumberland County a rural development area. Between the spring of 1963 and 1965, the province undertook a number of research projects for the purpose of delineating the characteristics and problems of the area. In June of 1965, a Federal-Provincial Task Force was appointed to prepare an integrated plan for the region. On September 20, 1966, the Federal and Provincial Governments signed an agreement under FRED for a comprehensive rural development plan for the Northeast Region.

At the same time, there is evidence to suggest that local concern, initiative, suggestions and action played a role in the origin, and as we shall see later, in the development of the plan. In 1953, some 100 study groups - called *les Cercles d'études* - were organized in Northeast New Brunswick under the sponsorship of the Adult Education Association of the Bathurst Diocese. The Extension Department of Bathurst College, district agricultural representatives and representatives from the *Fédération acadienne des caisses populaires et des coopératives* were involved in the program. Among other things, the study groups focused attention on the social and economic problems of the Northeast Region; through the Federations of Agriculture, pressure was exerted on the Provincial Government to designate the Northeast Region as a rural development area under ARDA.

The area was so designated, as we have noted, on January 23, 1963. Two weeks later, on February 7, 1963, a meeting of delegates of organizations and associations in the newly designated area was called in Bathurst. Members of the Provincial ARDA Committee were present. It was agreed by those present that the Association of Adult Education be recognized as the body responsible for promoting an ARDA program in the area.[1] In addition, the Government appointed a district agricultural representative to act as an ARDA Co-ordinator for the region.

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[1] The function of the Association was later taken over by *le Conseil regional d'amenagement du nord du Nouveau Brunswick* (CRAN) in June of 1964.

A similar pattern underlies the origins of the BAEQ in Quebec. In 1956, the *Conseil d'orientation économique du Bas St-Laurent* (COEB) was organized by local citizens in the Lower St. Lawrence area for the purpose of guiding economic activity and development in the region. Negotiations between this Organization and the Department of Agriculture and Colonization led to the designation in 1963 of the Lower St. Lawrence, Gaspe and Magdalen Islands as a pilot area for regional planning under ARDA. A regional economic expansion council was organized for the Gaspe and Magdalen Islands along the same lines as the COEB. In July of 1963, the two economic councils were asked to name five members each to form the Eastern Quebec Planning Bureau Inc., (BAEQ), a non-profit organization for the purpose of preparing a development plan for the region. If there is a difference between New Brunswick and Quebec in regard to the origins of regional development plans in the respective provinces, that difference consists in the display of greater initiative and activity on the part of the COEB in the Lower St. Lawrence area.

The role of local individuals or voluntary organizations in initiating ARDA projects is further in evidence when one considers less ambitious, ad hoc projects. In Ontario, for example, many of the drainage and irrigation projects were initiated by requests from local conservation authorities; the recent farm management course at Alexandria grew out of the activities of the agricultural representative and the local ARDA Board. The province-wide development orientation program in Alberta was requested by Farmers Union and Co-operative Development Association. Drainage and watershed improvement projects in Saskatchewan have, in many cases, been left to local initiative, with ARDA providing technical assistance and grants in aid of construction. Drainage and flood control projects in Manitoba and the blueberry projects in the Lac St. Jean district of Quebec are further example of programs growing out of local requests. In Nova Scotia, incentive grants have been made available to farmers who are prepared to improve their farm operation through land clearing, drainage and surface ditching. Similar and modest programs of this kind can be found in Prince Edward Island and Newfoundland.

At the same time, there are a wide number of major projects which have been largely conceived within the confines of Government offices. Much of the major research undertaken in the provinces is a case in point. Moreover, the decision to designate the Interlake Region in Manitoba and prepare a comprehensive rural development plan was made in Winnipeg - the result, in some measure, of the recommendations of the Report of the Committee on Manitoba's Economic Future.[1] The farm enlargement and consolidation programs in Nova Scotia, New Brunswick and Ontario originated within government. The designation of rural development areas in Saskatchewan and Alberta, and the study concerning rural development areas in British Columbia grew out of government studies and decisions. The major research work undertaken in Newfoundland concerning the designation of a special rural development area and the design of either a comprehensive or series of mini-development plans has been an exclusive government sponsored activity.

On the basis of the evidence gathered and presented, it is difficult, if not hazardous, to generalize regarding the origins of ARDA programming within the provinces. Nevertheless, a number of tendencies are discernible, and are, at least, suggestive.

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[1] Manitoba: 1962-1975, Winnipeg: Committee on Manitoba's Economic Future, 1963.

[2] Caution is warranted for no other reason than the fact that we are dealing with only five years of effective ARDA programming; a period marked by considerable experimentation or trial and error.

First, local initiative seems to be in evidence when one is dealing with ad hoc projects concerning needs and problems that are both apparent at the local level and amenable to solution at that level. Natural resource and education projects mentioned above fall within these criteria.

Second, major research, regional and province-wide development and adjustment projects tend to originate in government circles and offices. There is one important and obvious exception to this tendency: the case of the BAEQ in Quebec or the *les Cercles d'études* and the federations of agriculture in Northeast New Brunswick. In each case, there is reason to believe that individuals and voluntary associations at the local level were directly involved in initiating comprehensive regional planning programs.

This exception warrants further comment. The tendency for major research, development and adjustment projects to originate in the offices of government is, in large measure, a function of perspective. While the awareness of social and economic problems may be expected to occur at both the local and provincial levels, there is little question that we may expect the definition of problems and the statement of solutions to vary between the levels; the variation being, in large measure, a function of perspective. In this connection, the case of the COEB in Quebec and *les Cercles d'études* in New Brunswick is important to note insofar as it represents the development of a regional perspective at the local level.

There is no question that the development of this kind of a perspective at the local level has been rare in the experience of ARDA programming to date. One is tempted to ask why it occured in Quebec and North-East New Brunswick and not in other regions within the country. We are not in a position to answer the question in a thorough manner. However, the question was raised with ARDA Officials and one comment, typical of several, is worth citing:

> "It is hard to say why this is so. I think one of the reasons has been the quiet revolution in Quebec. Even here in New Brunswick, especially in the North-East where there is a concentration of French Canadians, there has been an awakening among the French. We are beginning to look around, to question our existence and our future. Something is happening to cause people to look beyond their own backyard. This is very true of those who have been active in the North-East."

THE DEVELOPMENT AND IMPLEMENTATION OF PROGRAMS

The development of programs within the framework of ARDA is somewhat intriguing for the simple reason that the status of ARDA machinery within the provinces is, in all cases save Newfoundland, marginal.[1] The principal function of the ARDA machinery is co-ordination. Co-ordination of what? The answer is primarily in terms of resource and development programs and projects within established and existing departments and agencies of government.

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[1] Since 1966, Newfoundland has made provision for a new government department which will include ARDA activities and programs.

At the same time, the ARDA Legislation - both Federal and Provincial - allows and, in the case of the Federal and some Provincial Acts, encourages the development of programs for which there are few precedents and no administrative home. Comprehensive rural development plans and farm enlargement and consolidation programs are cases in point. It is in cases or instances of this kind that the ARDA machinery becomes involved in the innovation and administration of programs.

The development of ARDA programs and projects through co-ordination has raised many difficulties and indeed some doubts regarding its real value. In each of the provinces studied, the establishment of ARDA machinery within Government was viewed with misgivings, if not hostility. Several quotations from interviews speak for themselves.

> "No one was quite sure what ARDA was going to do and what it was not going to do. People in other departments feared that we were going to take over some of their more important activities. The atmosphere around here was cold at the beginning."

> "We weren't exactly welcome when we were established. We had more money - or I should say - we had access to more money that we knew what to do with. Other departments resented this. They felt we would be in competition with them."

> "We were new. We were getting a lot of publicity. People in Government and in the Province began to look to ARDA as a means of solving any and all of their problems. Individuals in established departments resented the publicity and feared ARDA would overshadow many of their well established programs - programs, I might add, that had much to commend them".

Whatever the private feelings of Deputy Ministers and Officials responsible for establishing and operating the ARDA machinery, the response to departmental misgivings and hostility was surprisingly uniform. Considerable effort was made to assuage the feelings and attitudes of departmental Deputy Ministers and Officials; ARDA personnel, including Directors or Co-ordinators, were selected on the basis of their ability and capacity to co-operate and work with officials and Public Servants in established line departments; moreover, considerable time and energy was spent in developing a pattern of co-ordination within government - time and energy which is no way accounted for in official statistics and reports.

The process of co-ordination varies, depending on the formal and informal machinery established in the province for this purpose, and the nature and scope of the project or program being proposed or undertaken. Some examples will serve to illustrate the point.

In 1966, the ARDA Co-ordinator in New Brunswick recommended that a task force be appointed for the purpose of undertaking comprehensive research and action programs in Madawaska County and Drummond Parish and Grand Falls in Victoria County. An advisory committee was established consisting of the Minister, the Deputy and Assistant Deputy Minister of Agriculture and the ARDA Co-ordinator. (The Committee in effect represented those within the Department of Agriculture to whom the ARDA Co-ordinator is responsible.)

It was decided to appoint an interdepartmental task force for the purpose of carrying out the project - at least for the initial phase of research and investigation. To this end, the ARDA Co-ordinator approached the Deputy Minister in the

Departments of Agriculture, Natural Resources and Education. The purpose of the project was carefully explained and the relevance of the project to the Department in question made clear. The respective Deputy Ministers were invited to appoint a member of their staff or Department to the Task Force. In October of 1966, a Task Force was appointed, consisting of a Chairman and additional member from the Department of Agriculture, and one member each from the Departments of Natural Resources and Education.

The function of the Task Force, as we have pointed out, was to undertake and organize the research projects involved, prepare a development plan, and co-ordinate the programming which followed. Equally important, the Task Force was regarded as a convenient means of involving and integrating three line Departments of Government in ARDA programming. A comment by one Public Servant is worth recording.

> "Each department agreed with the objectives of the project. Each department appointed one of their best men to the Task Force. They were involved in setting up the Task Force; they had confidence in the men they appointed to the Task Force; through these men they could keep in touch with what was going on, and make their point of view felt."

In this particular case, the prior consultation with Deputy Ministers in Agriculture, Natural Resources and Education, and the manner in which the Task Force was appointed resulted in effective co-ordination of departmental concerns and the relatively efficient and successful development of a "mini-plan".

Of all the provinces, Ontario alone has provided formal legal machinery for co-ordination of all ARDA programming and projects. Section 2 of the Ontario Act provides for the establishment of a body corporate, responsible to the Minister of Agriculture. The ARDA Director is Chairman of the Directorate, which is made up of senior representatives from the following departments: Agriculture and Food, Lands and Forests, Municipal Affairs, Economics and Development, Treasury, Tourism and Information and Energy and Resources Management. The function of the Directorate is to provide for co-ordination of programming within and between departments concerned with rural resource development. It serves as a clearing house wherein department programs are discussed, reviewed and at times modified for the purpose of avoiding unnecessary duplication. In addition, the Directorate devotes considerable time and attention to the question of allocating financial resources available to rural development programs and projects. Moreover, it serves to develop new ideas and programs in respect of rural development. The farm consolidation and enlargement program is a case in point.

It is important to point out that the activities of the Directorate do not preclude the kind of ad hoc project oriented co-ordination, as described above in regard to New Brunswick. For example, the local ARDA Committee or Board for Prescott and Russell Counties decided to develop and provide a course in the business of farming for French speaking farmers in the district. With the assistance of a rural development officer, a project co-ordinator was appointed and assigned the task of working with the local School Board and Officials of the Ontario Manpower Retraining Program with a view to finding space for the program, acquiring instructors, developing a curriculum, and making arrangements for course registration, grants and allowances.

The process of co-ordination in the province of Alberta is not as developed as in the case of provinces like New Brunswick or Ontario. Until recently, ARDA programming has largely amounted to the financing of on-going departmental resource projects.

To this end, departmental budgets included ARDA appropriations; the process of co-ordination chiefly concerned departmental budget planning. In 1964, research was begun in Census Division 14 - a rural development area. A number of activities - in addition to research - were undertaken including the appointment of a regional resource co-ordinator, a regional development advisory council appointed, in effect, by the community, the organization of study groups and various local resource committees. The co-ordination of these activities was handled by the Provincial ARDA office within the Department of Agriculture. In addition, a technical panel, made up of representatives from a number of Government Departments and Agencies, was established in 1965 for the purpose of co-ordinating departmental planning in respect of the proposed "mini-plan".[1] One formal meeting of the panel has been held to discuss the research findings. In addition, the provincial ARDA office has held occasional meetings with departments concerned, in which the total proposed program was discussed and explained.

The role of co-ordination in comprehensive regional planning will be discussed and examined in the following chapter. For the moment, it is possible to summarize the discussion as follows:

(a) The status of ARDA machinery within Provincial Governments was initially ambiguous.

(b) In all cases, a vigorous effort was made to limit the ARDA machinery to co-ordination. The objective was not to establish a new department, with its own budget, staff, traditions and loyalties; rather, every effort was directed towards providing a mechanism through which existing Departments and Agencies could integrate and plan departmental programs and in which new ideas, new approaches could be discussed and explored.

(c) There has been some variation in the process of co-ordination within the provinces. Where new and innovative programs are in evidence, the process has been highly developed and in the main, skillfully employed. Where programs and projects represent a continuation of existing departmental and government programs, co-ordination has been minimal, confined largely to questions of budget. In the case of one province - Ontario - formal machinery in respect of the overall ARDA program has been provided for in the legislation.

(d) Leaving aside FRED programs and agreements, the development of ARDA projects within the provinces has, in the main, taken place within this context.

There is one important exception to this conclusion: namely, the development of a new program for which there has not been a traditional administrative home. The farm enlargement and consolidation project in Nova Scotia, New Brunswick and Ontario is the one important example so far. Since we did not visit the Province of Nova Scotia, we shall confine our discussion of the program to New Brunswick and Ontario.

The basic objective of the program is to enlarge farm units through a process of land consolidation. Initiative under the program is placed in the hands of individual farm owners and operators. The basic process involves the transfer of land from a farm owner who wishes to sell, to the unit of a farm owner who wishes to purchase additional land and so enlarge his farm operation.

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[1] The Departments involved include: Agriculture, Youth, Lands and Forests, Municipal Affairs, Highways, Education, Welfare, Manpower and Industrial Development.

To this end, it was necessary to provide machinery, money and regulations in order to bring the prospective parties to the transfer together, assess the value and market price of the land for sale, evaluate the management ability of the prospective buyer and assess the state of his farm operation, and provide for the purchase, lease and eventual resale of the land by the Crown.[1]

In New Brunswick, the Legislature passed the Farm Adjustment Act in 1966, providing for the appointment of a Farm Adjustment Board, to be responsible to the Minister of Agriculture for the operation of the program. The Board is made up of three senior Public Servants in the Department of Agriculture (including the Assistant Deputy Minister, who is in charge of the overall ARDA program), plus two farmers. The Act empowers the Board to acquire, deal with, lease, sell or otherwise dispose of land, property acquired for purposes of the legislation. This power is vested in the Board as agent for the Crown.[2] Cost-sharing with the Federal Government is provided for under Part II of the 1965-70 Federal-Provincial Rural Development Agreement.

In Ontario, the ARDA Directorate has undertaken a similar program. A member of the Directorate's staff has been assigned the responsibility of administrating the program. As in the case of New Brunswick, applications for the sale and lease (or eventual purchase) of land are made to the local agricultural representative or rural development officer. The applications are processed, the land for sale assessed, the management skills of the prospective lessee and economic state of his farm considered, and the matter referred to an intradepartmental committee consisting of the Director of ARDA and his Assistant, the Director of Marketing, the Director of Extension - both within the Department of Agriculture - and the Director of the Farm Enlargement and Consolidation Program. The power of the Directorate to acquire, lease or sell land is derived from Section 2 of the Ontario ARDA Legislation. Cost-sharing with the Federal Government is provided for under Part II of the Second General Agreement.

In both these cases, the farm enlargement and consolidation program has effectively involved ARDA in the administration and day to day affairs of an on-going program. Both provinces recognize the need to hire additional trained and skilled personnel for the purpose of assessing the value of land, interviewing prospective lessees, and handling the growing volume of applications that are forwarded to Fredericton and Toronto. As far as could be ascertained, the establishment of a farm consolidation and enlargement program in Ontario and New Brunswick in the manner described above was in no way questioned by Senior Officials in other resource oriented line departments.

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[1] The basic procedure in New Brunswick and Ontario is for the government to purchase the land for sale and lease it to the applicant for five years, whereupon the lessee enjoys the option to purchase the land at the original price paid by the Crown.

[2] In addition, the Board has the power to make loans for the purchase of farms, for the purpose of additional land to be added to existing farms, for the erection of farm buildings and facilities, for the purchase of essential farming equipment and livestock, and may undertake research projects concerning land use or land management. To date, these provisions of the legislation have not been exploited to any great degree. Upon request, the director of the program indicated that the Board has been unable to develop statistics regarding this component of the Act.

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So far, we have been considering the development of programs and projects at the level of Provincial Governments. What of local individuals, voluntary associations, local governments, and so on? The answer depends on the kind of project one considers. In terms of soil-water conservation projects proposed by individual farmers, the farmer is more often than not directly involved in the planning and execution of the projects; ARDA's role being confined to finances and advice.[1] In terms of larger and similar projects, it can be said that the local population is more affected by the project than involved in its development.

The evidence indicating relatively widespread local involvement in program development is confined to rural development area projects - one being in Northwest New Brunswick and the other being in Census Division 14 in the Province of Alberta.[2] In both provinces, the involvement of local people and voluntary associations in area development has been a central feature of ARDA policy.[3] Let us consider each case separately.

In 1965, the Alberta ARDA administration divided their rural development area (Census Division 14) into five development zones, using trade centres as the criterion for establishing boundaries. A research project was then undertaken by a faculty at the University of Alberta for the purpose of studying the local "power structure" in each of these five zones. A "power structure" was identified on the basis of reputation.[4] Then such community decision-makers from each zone were then invited to attend an education program organized by the regional resource co-ordinator. The topics included a wide range of social and economic development issues, with particular emphasis on an area or "regional" approach to community action and involvement. At a final meeting of the education program, a representative from each zone was elected to an area advisory body to be known as the Regional Development Advisory Committee. In addition, the representative was invited to serve as a nucleus of development committees in each zone.

To date, zone development committees have held several meetings and the Regional Development Advisory Committee has held one meeting. In the main, these meetings have been devoted to a discussion and examination of development proposals and plans for the respective zones and the area as a whole. Much of the work of the zone committees has been devoted to education - acquainting the local community with the problems in the area and the possibilities of rural development. In addition, the work of the committees is in evidence in terms of the rather large number of requests ARDA has received from Chambers of Commerce, rural counties or districts, school boards, churches, professional associations, and so on. For example, during

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[1] For a critical examination of such a project in Saskatchewan, see JANE A. AMBRAMSON, "A Study of the Effects of Displacement on Farmers whose Land was Purchased for Two Community Pastures in Saskatchewan, Saskatoon: Canadian Centre for Community Studies, 1965.

[2] Again, a discussion of participation in FRED projects is postponed to the following chapter.

[3] Such, of course, is the case in Ontario. Speaking to the Legislature on his department's 1966-67 estimates, the Minister of Agriculture said in part: "Our concept of rural development under ARDA is that rural people should be involved in both the planning and development of programs..." Ontario has established some 30 ARDA Boards in counties or districts. However, there is reason to believe that the active Boards among the 30 confine their attention to local matters and ad hoc resource or education projects.

[4] The technique involved asking respondents in a community to identify those who enjoy and exercise status and power in the community.

1966-67, some 48 meetings on rural development, with a total audience of 1,448, were held by ARDA in the area.

The ARDA administration has prepared a plan for the area and submitted it to Cabinet for consideration. There is reason to believe that the views and concerns, the proposals and suggestions of local individuals and zone development committees had some bearing on the design of the plan. Commenting on the role of local involvement in the development area to date, one ARDA official observed:

> "The process is a two-way thing. You can't have rural development without local involvement. Our first task was to involve the people and open their eyes to the possibilities of rural development. We make suggestions to them; let them chew on them; then we get a feed-back. On the basis of the feed-back, we might modify our plans or projects. It works like that."

The case of the Madawaska project in Northwest New Brunswick is somewhat different. Prior to the establishment of the ARDA Task Force (October 1966) a voluntary organization known as *le Conseil régional d'aménagement du Nord-Ouest du Nouveau Brunswick* (CRANO) had been organized in Madawaska County.[1] According to their constitution, the principal purpose of CRANO is to study and facilitate the social and economic development of the region in which it is located. To this end, the organization is broken down into parish councils. The parish councils have, in the main, established six permanent committees, dealing with tourism, agriculture, industry, labour, forestry and social questions. Moreover, each parish council encourages the participation of other voluntary associations in the community in its committee work. The overall regional council is made up of two delegates from each parish council.

Upon their appointment to the interdepartmental Task Force, the members decided to contact CRANO and establish, if possible, working relations between the two groups. A member of the Task Force put it this way.

> "We realized, on the basis of the experience in the Northeast, that you can't have rural development, even on a small scale, without the involvement of the local people. We decided to meet with CRANO, find out what kind of information they had been gathering or were prepared to gather; to see if we could work together."

Another member of the Task Force added:

> "Our objective was total involvement in every phase of the project, including the research that had to be done before we could draw up a plan. We did this for two reasons. First, the best plan in the world will not work unless the people understand it and are sold on it. The best way to do this is to involve them from the very beginning. The second reason was equally practical. There was some information - for example, the construction of land use maps - which they alone could do. We couldn't do it. So for this reason, it was necessary to involve the community at the very beginning, in the process of research itself."

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[1] We were unable to gather reliable data on the origins and development of CRANO. Interviews with ARDA officials in Fredericton provided some information on the history and function of the organization. At their suggestion, a trip was planned to Northwest New Brunswick. However, due to pressure of time and additional commitments with Government Officials in Fredericton, the trip had to be cancelled.

A working relationship was established between CRANO and the ARDA Task Force. Projects within the total research program were divided; the preparation of land use maps was undertaken by CRANO; the Task Force, along with H.G. Acres & Company undertook social and economic surveys of the region; in addition, eighteen parish councils of CRANO undertook their own surveys concerning agriculture, forestry, education, handicrafts, industry, manpower, recreation and tourism.[1] Finally, it was decided that both CRANO and the Task Force would prepare separate development plans for the region. To date, the preparation of the plans is in process; once completed, the two groups intend to meet, compare plans and attempt to formulate a common strategy and development plan for the region.

While the local involvement in developing an area plan in Northwest New Brunswick has been more aggressive and independent of Government activities than the case in Census Division 14 of Alberta, it is clear that both provinces have felt the necessity for community participation in area planning and development of this kind. Moreover, ARDA officials in both provinces are impressed with the results of community involvement and are confident that this approach to rural development will enjoy considerable success.

THE CRITICAL ISSUES

In discussing the critical issues that arise from this examination of ARDA programming in the provinces, we propose to leave the question of, and problems related to comprehensive regional planning to the following chapter. We are primarily concerned for the moment, with ARDA programs and projects per se.

(a) The Range of Programming

Does ARDA programming within the provinces amount to nothing more than a slender thread of ad hoc projects, mostly related to natural resources, and designed largely to garner federal funds, or to expand existing provincial programs through the use of federal monies? It is difficult to answer the question without equivocation. There can be little doubt that this kind of programming has been prominent among provincial projects. At the same time, there have been instances of innovation, as in the case of the farm enlargement and consolidation programs; experimentation, as in the case of Northwest Quebec; and an attempt at area rural development, as in the case of Alberta and New Brunswick. In addition, some of the existing programs in the provinces, such as PFRA and community pastures in Saskatchewan and Manitoba, are not without their merit.

It may be objected that it is too early to judge ARDA programming, that we are dealing in effect with an initial period of experimentation with new legislation. Be that as it may, it is both necessary and important to ask whether this period of experimentation shows any promise of coping in a significant way with the question of rural poverty and the misuse and abuse of natural resources.

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[1] To this end, CRANO hired a social animateur who had been involved with the BAEQ in Quebec. The Task Force provided CRANO with a modified version of what is known as a *"Guide de travail"* - a manual developed in France for the purpose of assisting local communities in undertaking social and economic surveys. In addition, ARDA provided technical assistance to CRANO committees upon request.

Officially, of course, Governments, when pressed, will defend and define the range of ARDA programs in just these terms. But does the claim measure up to the performance? It is difficult to attempt a definite answer. However, a number of tendencies in ARDA programming to date can and should be considered.

Imagination in programming has been modest, and in some cases, lacking. Programs concerning rural development have been few and cautious. There has been little, if any communication between the provinces concerning program fare and experimentation. The farm enlargement program, and the community pasture projects in Eastern Canada are about the only examples of one or several provinces profiting from the experience of others. The federal funds available for programming under the Second General Agreement ($25,000,000 per year) are modest when we consider that in 1965 alone, the Federal Government spent $1,586,000,000 on defence and $166,000,000 on Agriculture.[1] Moreover, it is clear that the commitment of federal funds under the Federal-Provincial Agreements to date remains about 70% of the total amount available to the provinces.[2] The maximum utilization of federal funds by the provinces has not materialized; the adequacy of the federal funds available has not been questioned.

The critical point to consider is that ARDA programming is on trial. In the case of some programs in some provinces, there are indications that ARDA shows considerable promise. In the case of some programs in other provinces, ARDA is on the way to becoming an unintentional joke in poor taste. Most important of all, the role of ARDA in regard to rural poverty and resource use cannot be taken for granted.

(b) The Origin of Programs

It is clear that the origin of programs involved Governments, local voluntary associations and communities and individuals. However, the kind of program that emerges from each of these levels is very much a function of perspective. In the main, regional or area research and rural development projects have emerged in Government Offices. However, it is important to note that there have been several instances in which local communities have been involved in the process. In each case, local communities acquired a perspective which transcended their immediate individual and community parameters.

The important consideration in this regard is that the development of an area or regional development perspective at the local level cannot be taken for granted. It must be acquired. Whether this "acquisition" grows out of a social movement (as may well be the case for French speaking communities in rural Quebec and Northern New Brunswick), or through a well planned process of education (as in the case of Alberta) is initially, at least, immaterial. The point is, a regional perspective does not grow and flourish in the soil of local concerns and activities. It must be cultivated - one way or another. Left to themselves, local communities may well continue on occasion to show initiative and develop and propose an endless variety of ad hoc resource, education and social or economic projects. But the roots of rural poverty and the answers to proper resource use transcend local communities.

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[1] Budget Papers, Part II, Table 8, House of Commons Debates, March 29, 1966.

[2] During the course of the first agreement (1962-65), the Federal Government committed $34,967,573 or approximately 70% of the allocated $50,000,000 for the two and one-half year period. During the first year of the second agreement (1965-70), the Federal Government committed $18,427,979 or 70% of the $25,000,000 allocated to that year. Source: ARDA Catalogues.

(c) The Question of Involvement

The question of involvement of individuals, voluntary associations and local communities in the development and implementation of programs follows. Leaving the matter of local ad hoc resource and education programs aside, the central issue is local involvement in respect of area rural development programs.

In New Brunswick and Alberta, there is evidence to indicate that considerable local involvement in the development of an area plan is both possible and probable when governments pay particular attention to establishing the proper working relationships. It would seem, at least on the surface, that the question of involvement is not an issue.

There is reason to believe, however, that such is not the case. There is evidence to indicate that local involvement has been largely confined to community leaders and invididuals falling within the middle class; that planning and educational activities have not embraced the rural poor. Indeed, both CRANO and the Task Force in New Brunswick have expressed concern over this matter.[1] It was assumed that the involvement of the rural poor in the development plan would take place over a period of time; that the activities of CRANO would gradually expand and include the poorer members of the community. Experience to date does not support this assumption. If anything, the gulf between the more active members of CRANO and the rural poor in the community has widened, if for no other reason than the experience the active members of CRANO have gained over the years.

The same problem has been recognized in Alberta. There, an attempt has been made to reach the poor through the development of a home visitor project. This year, the Assistant to the Regional Resource Co-ordinator (a Home Economist), a Public Health Nurse and a Social Worker organized a two week course for seven low income housewives in the Hinton district. The purpose of the course was to attempt to reach low income families through "their own kind", with a view to gaining confidence, expanding horizons and motivating them to make better use of existing services and programs. It is too early to say whether this approach is meeting with some success; suffice to point out that the problem is recognized in Alberta, and steps are being taken in an attempt to deal with it.[2]

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[1] In Alberta, as we have pointed out, a conscious and deliberate attempt was made to organize local involvement and activities around carefully selected and established community leaders. In New Brunswick, the occupations of the Directors of CRANO were examined; they included large farm operators in the region, small businessmen, members of the clergy, public servants, a teacher, a dentist, an electrician and two lawyers.

[2] Rural Development Officers in Ontario are acutely aware of the barrier which exists between ARDA projects and low income members of the community. One RDO claimed that the rural poor in his area remained beyond his reach; and ARDA Officials at Queen's Park insisted that the indifference, apathy and complacency of low income families threatened to undermine the entire ARDA approach to rural social, economic and resource programs.

We propose to deal with the question of rural development and community involvement again, and at greater length, in the following chapter. For the moment, we suggest the degree of community involvement in rural development projects in New Brunswick and Alberta is deceptive. It tends to involve members of the middle class in the communities concerned; it obscures, if only for the moment, the formidable barrier that exists between the rural poor and ARDA programming.

(d) The Limits to Co-ordination

One of the more impressive features of ARDA programming within the provinces is the degree to which ARDA officials have developed the role of co-ordination within Government Departments and Agencies. As we have pointed out, the principal function of the ARDA machinery within provinces has been that of working with and through established departments and agencies.

There is reason to believe, however, that the role of co-ordination has its limits, and that these limits are being rapidly reached and recognized in some, if not all provinces. For example, ARDA officials in several provinces have begun to question, if only privately, the desirability of confining ARDA activity to the planning and development of programs through other departments and agencies. One official put it this way:

> "Co-ordination makes sense when you require a project or a program which some other department is responsible for. For example, it would be silly for ARDA to become involved in building highways. The Department of Highways is able to do this; all we have to do is co-ordinate our projects with their system of priorities. But what I am getting at is rural development. No department in Government has ever been set up to do this. How can you co-ordinate something that doesn't even exist?"

An official in another province added:

> "So long as departments budget for ARDA, it is left for them to decide how important ARDA programs should be. If there is no interest in ARDA, you won't get much I can't see it working this way. Maybe ARDA is going to eventually have to run the whole show."

A Public Servant in still another province was more thorough in his concern.

> "Let's face it. The kind of departments we have in ... are obsolete. If we are going to tackle rural development the way it should be tackled, ARDA has no place in government the way it is presently organized. What we need is a complete re-organization of government, geared to rural, social, economic, industrial development. The old ways won't do."

These observations and opinions are set in sharp relief by a consideration of the Task Force in connection with the Madawaska project in Northwest New Brunswick. The Task Force, as we have pointed out, was made up of Public Servants appointed by Deputy Ministers in the Departments of Agriculture, Education and Natural Resources. Although no commitments were undertaken in this connection, there was a tentative assumption that the Task Force would undertake or cause to be undertaken a research and action program in the area. The assumption included the expectation that the members of the Task Force would be involved in the implementation, as well as the preparation of the plan.

By June of 1967, it was clear that the present composition of the Task Force was about to break up. It was learned that several of the departments involved in the Task Force had need of their appointees for pressing projects or programs unrelated to ARDA and the Madawaska. One Official commented as follows:

> "The problem is understandable. The Task Force members represent some of the brightest and ablest men in these departments. They have their own programs and responsibilities, apart from ARDA. They couldn't afford to extend - how would you put it - their leave of absence?"

The effect of the breakup of the Task Force on the implementation of the rural development plan remains to be seen. It is clear, however, that the break in continuity between the development and implementation of the plan poses new and special problems - both for CRANO and for ARDA.

There is reason to believe that the role of co-ordination is appropriate to the development and implementation of ad hoc projects involving other and established Government Departments and Agencies. Manpower training, irrigation, reforestation, tourist development are some, but to name a few relevant projects. But is co-ordination in itself sufficient when one turns to area development programs or comprehensive regional planning? Leaving the question of comprehensive regional planning aside for the moment, the answer would appear to be, no. The presence of rural poverty and the pattern of resource utilization remain despite contemporary and conventional government programs and services. It would be naive to suppose that these problems can be resolved alone through better co-ordination and use of existing services and programs. We propose to discuss this question at greater length in the following chapter. For the moment, it is possible to say that ARDA will remain hamstrung if it continues to confine its activities to co-ordination. One has only to cite the farm enlargement and consolidation program and the Madawaska development project to make the point.

CHAPTER V

COMPREHENSIVE REGIONAL PLANNING

SUMMARY

Introduction
Government Planning in the Canadian Context
The Focus of Planning
The objectives of Planning
The Methods of Planning
The Critical Issues

INTRODUCTION

The assumptions and concepts involved in ARDA include comprehensive government planning at the regional level. Under the ARDA Legislation per se, this kind of activity has been limited and confined to more modest programs on an area, rather than a regional basis. As a matter of interest, the term "mini-plan" has been coined to refer to projects of this kind.

It has been under and through the FRED Legislation that Provinces and the Federal Government have embarked on the kind of comprehensive regional development envisaged in the assumptions and concepts of the federal legislation.

We propose to examine these developments in this chapter relating the discussion, where necessary, to points developed in the previous chapters. To be more specific, we propose to examine comprehensive regional planning as it has developed in the provinces of New Brunswick, Quebec, Manitoba and Newfoundland. Before doing so, we propose to briefly review the role of government planning in the Canadian historical context.

GOVERNMENT PLANNING IN THE CANADIAN CONTEXT

In 1904, a controversial American economist made an acid observation concerning government and its relation to the economy.

> "Modern governmental policies, looking as they do to the furthering of business interests as their chief care, are of a "mercantile" complexion. They aim to foster trade, as did the mercantile policies of the sixteenth and seventeenth centuries, although since "trade" has come to include much else than foreign

commerce, the modern policies look to business in the more comprehensive sense which the term now necessarily has."[1]

The statement is not entirely without relevance to the Canadian historical scene.

Yet, surely, one of the most intriguing and ironic sides to Canadian political life and debate has been the attitude toward government planning, however limited and modest. It has been traditionally defined as alien to the Canadian "way of doing things"; it has been said, with relief, that it does not exist in this country. And, somehow, the debate has demonstrated a remarkable capacity to remain above the hard cold realities of Canadian history.

The development of a viable industrial economy north of the 49th parallel and politically independent of the United States was part of a government plan a plan which included the National Tariff Policy of 1879, the Transcontinental Railway and Communication Program of 1881, the Immigration, Colonization and Agricultural Programs of the late 19th and early 20th centuries.

As Professor Corry has observed in his introduction to a report prepared for the Rowell-Sirois Commission, the kind of government planning found in Canada in the second half of the 19th century was by no means unique.[2] For Canada, the vehicle of industrialization was to be an economic system called capitalism. And government planning and involvement in such questions as tariffs, social overhead costs and investment - education, transportation, communications - immigration and agriculture have never proven to be incomparable with the development of a vigorous capitalist economy.[3]

Few will disagree that capitalism at the turn of the century, if not before, had its rough edges. The history of legislation regarding regulations and controls - the setting of guidelines and parameters in which the so-called free market forces could operate - is both long and complicated. We do not propose to review it.[4] But we would point out that the system of regulations which evolved over the years - the Canada Grain Act, the Food and Drugs Act, the Railway Act, the Combines Investigation Act, Labour Legislation within the provinces, but to mention a few - may be viewed as government planning of sorts; ad hoc and limited planning, but planning none the less.

It will be recalled that a former attorney for the Canadian Pacific Railway Company and leader of the Conservative Party in Canada headed a government that introduced the nation's first "new deal" legislation in the thirties. Even though the Natural Products Marketing Act, the Employment and Social Insurance Act, and three statutes related to minimum wages, maximum hours of work and a weekly day of rest, were held to be unconstitutional, the "conversion" of the Tories was not lost on the Government of Mackenzie King that assumed office in 1935.

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[1] THORSTEIN VEBLEN, The Theory of Business Enterprise, N.Y.: The New American Library, 1958, p. 135-136.

[2] CORRY, op. cit., "Introduction".

[3] For an excellent discussion of these questions, see V FOWKE, The National Policy and the Wheat Economy, Toronto: University of Toronto Press, 1957; W.A. MACKINTOSH, The Economic Background of Dominion-Provincial Relations, Toronto: McLelland & Stewart, 19; W.M. DRUMMOND, et. al., A review of Agricultural Policy in Canada, Ottawa: The Agricultural Economics Research Council of Canada, 1966.

[4] See CORRY, op. cit.

The war intensified the scope of government planning. Until the spring of 1940, no extraordinary measures were taken by the Federal Government. However, with the German occupation of the Low Countries and the fall of France, the war took a different turn, requiring considerable changes in government policy. Questions concerning the allocation of capital and manpower, wages, prices, trade and foreign exchange became the temporary, but direct object, of government involvement and planning.

Most of the wartime measures and controls associated with the National War Labour Board, the Wartime Prices and Trade Board and the Foreign Exchange Control Board were relinquished by Government in the years following the war. However, in 1945, before the capitulation of Germany and Japan, the Government issued a White Paper on Employment and Income which declared that the development and maintenance of a high and stable level of employment and income was to be a major aim of government policy. The most recent affirmation of this policy is to be found in the Economic Council of Canada Act. Section 9 requires the Council to:

> "advise and recommend to the Minister how Canada can achieve the highest possible levels of employment and efficient production in order that the country may enjoy a high and consistent rate of economic growth and that all Canada may share in rising living standards."[1]

It may be said in summary that government planning has been, since confederation, a feature of Canadian economic history. The planning in question has been limited, and - the national policy of 1879 aside - ad hoc, largely a response to immediate needs and political pressures. In retrospect, the function of planning has been to develop and maintain a workable and healthy capitalist-industrial society. It may be objected that the kind of capitalist system we enjoy (or endure) today is a far cry from the good (or bad) old days at the turn of the century, that Government controls and regulations, welfare policies, and so on have drastically altered the fundamental character of the system. That changes have occurred is readily conceded. Whether the changes have "drastically" altered the "fundamental" character of the system is open to interpretation and debate. In any event, it is necessary and important to consider comprehensive government planning under ARDA and FRED in light of this historical background.

THE FOCUS OF PLANNING

Section 5b of the FRED Act stipulates that comprehensive government social and economic planning must take place in a region within which there is a reasonable potential for social and economic development. While provision is made for federal or national co-ordination of development plans within provinces, the focus of planning is on the region itself.

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[1] Statutes of Canada, 12 Elizabeth II, Chapter XI, 1963. The Act was assented to on August 2nd, 1963.

The advantages of planning at the regional level are several. Regional development and planning is compatible with the terms of the British North America Act; it allows for planning and development at a level which raises few, if any constitutional questions, arguments, or objections.[1] More important, it provides a frame of reference which is sensitive to local needs, interests, concerns and problems. By its very nature, regional development is intimately close to the source of the problem; it lends itself to public involvement and participation, however modest. It is quick to recognize obstacles, frustrations and errors in the design and implementation of a development plan. And in so far as there is variation in the natural resources, development potential, adjustment problems, social customs and styles of life in Canadian rural areas, regional development allows the kind of flexibility the situation calls for.

The question that must be asked, however, is whether planning at the regional level represents a workable and viable level for development in each and every instance. To be specific, we must inquire whether a solution is always available to a regional problem within the region itself; whether regional solutions to regional problems are always compatible with and possible in terms of national needs, goals and objectives; and whether machinery and resources at the regional level are always available to solve regional problems and provide regional solutions.

Before attempting to answer these questions, it is necessary to briefly consider the data gathered on regional development in Newfoundland, Quebec, New Brunswick and Manitoba. In each and every case, we are forced to deal with development plans that have not in any significant way been implemented. In the case of New Brunswick and the Northeast development region, we are dealing with plan, a Federal-Provincial Agreement, a Crown Corporation assigned the responsibility for implementing the plan and the agreement - the Community Improvement Corporation (CIC) - and a host of problems which have almost brought the process of implementation to an abrupt halt. In the case of Manitoba, we are dealing with a plan and a Federal-Provincial Agreement signed on May 16, 1967. In the case of Newfoundland and Quebec, we are dealing with developments that may give rise to a comprehensive regional development plan and a FRED agreement

To return to the questions, what evidence is there to indicate that solutions to regional problems are available within the region? In one respect, the very question is irrelevant in so far as the FRED agreements signed are conditional upon the presence of social and economic growth potential within the regions in question. Needless to say, the Northeast New Brunswick and the Manitoba Interlake Agreements are based on evidence that indicates such a potential in the respective regions.[2] Nevertheless, the question cannot be dismissed so lightly. There is in some cases evidence to indicate that solutions to regional problems are conditional upon factors outside of the region itself.

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[1] A constitutional problem might arise when a designated development region includes land, natural and human resources in two adjacent provinces. The history of agricultural marketing legislation in Western Canada would suggest that interprovincial involvement in a development plan in a case of this kind would be possible, yet complicated to arrange.

[2] See Interlake Area of Manitoba: Federal Provincial Rural Development Agreement, Ottawa: Department of Forestry and Rural Development, 1967; Northeast New Brunswick: Federal-Provincial Rural Development Agreement, Ottawa: Department of Forestry and Rural Development, 1966.

Consider, for the moment, the case of the Interlake area in Manitoba. The strategy of the plan calls for a substantial release of people from primary resource based jobs in order to bring about what the plan calls a "required resource-people balance". What, in brief, does this mean? Consider Table 1. An estimated 67% of the natural resource based labour force (agriculture and fisheries) is underemployed; 8% of the remaining labour force is estimated to be unemployed. If one considers Census Division 12 - an area which begins some 40 miles north of Winnipeg and encompasses the entire northern portion of the region - more than sixty percent of the resource based labour force is underemployed, of whom a considerable portion are Indian and Metis.

Table 1 Labour Force: Manitoba Interlake Region[1]

Industry	*Labour Force*	*Under and Unemployed*
Agriculture and Fisheries	10,500	7,000
Manufacturing and Construction	3,600	1,000
Others[2]	8,900	
TOTAL	23,000	8,000

The question follows: can this considerable proportion of the labour force that is under or unemployed in the region be absorbed in the non-primary resource based section of the region? The plan promises to answer the question in the affirmative for some, if not all of the under and unemployed. To do so, the plan calls for a major input from Canada Manpower and incentive assistance in respect of industrial growth in the Selkirk area from the Area Development Agency.[3] These inputs notwithstanding, the question of out-migration has not been dismissed.

Moreover, there is a tacit admission in the plan itself that the solution to underemployment and the "required resource-people balance" lies beyond, as well as in the region itself.

> "From a practical standpoint, it must be recognized that the individuals who reside in the area cannot solve, by themselves, the income problems that have their roots in the general economy and outside the area. Employment

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[1] Source: Manitoba Interlake Agreement, Schedule B. p. 24-25. The figures contained in the table represent conservative estimates.

[2] This category includes transportation, commerce, services and public administration.

[3] The total Manpower input to the plan represents some 22% of the total cost of $85,085,000. Source: Manitoba Interlake Agreement, Schedule C.

opportunities so widely needed by the people in the area are dependent upon the entire economy, or upon broad segments of it."[1]

There is reason to believe that this cautious observation is something of an understatement, the agreement notwithstanding.

The situation in the Northeast region of New Brunswick is somewhat different. Again, the basic problem is defined in terms of under or unemployment and the improper use and allocation of manpower to the available resources. It is estimated that one-third of the total labour force of 29,000 is either permanently unemployed, underemployed in the resource sector, or involved in seasonal employment.[2] By reducing the resource-based labour force by approximately one-third (as well as improving the management and use of the resources in question), it is expected that the mining industry presently located in the region and the expansion of related secondary-tertiary industries will absorb those dislocated, under and unemployed. In other words, the potential for solving the social and economic problems of the region is presumed to exist within the region.

The situation in the Lower St. Lawrence-Gaspe region of Quebec is similar. Traditional employment has been concentrated in the primary sectors: agriculture, forestry and fishing.[3] As a result of exhaustive studies, the BAEQ estimated that the present regional population of about 325,000 can be stabilized over a 15 year period. By maintaining an employment growth rate of 2% and a production growth rate of 6%, the BAEQ estimates that regional per capita income will compare favourably with the rest of the province, the present unemployment rate will be reduced and income derived from Government transfers will be barely higher than that for the rest of the province.

The BAEQ proposes to realize these objectives through the re-organization of the agriculture, fishing and forestry industries, the expansion of mining in the region and the development of secondary-tertiary industries, including public service industries and tourism.

It should be pointed out that in both, Northeast New Brunswick and the Lower St. Lawrence region of Quebec, investment capital for mining and secondary manufacturing industry will come, in the main, from outside the region. It is maintained, however, that the region can adopt incentive policies that will attract capital and compensate for the remoteness of the regions in question.

On April 29, 1966, the ARDA administration in Newfoundland established a Federal-Provincial Task Force for the purpose of preparing a comprehensive rural development plan that would satisfy the criteria laid down in the FRED Act. For a period of some 12 months, the Task Force undertook a research program that included an inventory of the labour force, a projection of job requirements and opportunities, and a number of social and economic area studies. For these purposes, the entire island was declared a special rural development area. In the spring of 1967, the Task Force was disbanded, however, two of the original members were retained and assigned the task of preparing a development strategy.[1]

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[1] Ibid., Schedule B. p. 28.

[2] Northeast New Brunswick Agreement, Schedule B. p. 23-25.

[3] A Summary of the Development Plan for the Pilot Region: Lower St. Lawrence, Gaspe, and Iles-de-la-Madeleine, Ottawa: Department of Forestry and Rural Development, 1967.

One of the problems encountered in preparing a strategy was the question of retaining the island as a special development area for the purpose of a comprehensive plan. The Task Force pointed out that the total area involved was overwhelming. In the view of the lack of experience in comprehensive planning in the province - not to mention the country - it was felt that planning in a region of this magnitude would be risky, if not disastrous. Moreover, serious questions were raised concerning the viability of the island as a region. The projection of labour demand to supply for 1976 revealed that if the estimated demand for jobs was low, and the supply of labour was high, the province would be faced with an excess labour supply of some 75,000 or 40% of the estimated labour force of 185,000 for 1976. (See Table 2) Conversely, if the demand forecast was high, and the supply forecast low, the province would be faced with an excess supply of labour of some 37,000 or 21% of the estimated labour force of 172,000. It is important to keep in mind that these figures and projections do not include the inshore fishery; the projections are regarded by the Task Force as conservative estimates.

Table 2 Excess Supply of Labour: Newfoundland, 1967[2]

	Supply Forecast	
Demand Forecast	*Low*	*High*
Low	62,000	75,000
High	37,000	50,000

The critical question facing the Task Force in Newfoundland is whether a plan can be developed that will accelerate and alter the expected economic growth and expansion of the province in such a way as to absorb some, if not all of the projected labour surplus. The question remains unanswered, although there is reason to believe that serious consideration has been given to abandoning plans for designating the island as a special development area and preparing a comprehensive rural development plan as required by the FRED Act. Instead, consideration has been given to designating one or several rural development areas within the province, under Part V of the second Federal-Provincial General Agreement, and designing a "mini-plan" or plans in respect of the area or areas.[1]

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[1] The preparation of the development strategy was just underway when we visited Newfoundland in June of 1967. Some data on the strategy were gathered and will be considered in another section of this Chapter. However, it is important to keep in mind that we are in no way dealing with a completed plan, or even a draft proposal of a plan.

[2] Source: A Confidential Report, prepared by the Task Force, Newfoundland.

To summarize, the Northeast New Brunswick Plan, and the proposals of the BAEQ, concern regions in which solutions to problems appear, in the main, to be available within the region itself. Such, however, is not the case in the Interlake region of Manitoba, nor would it appear to be the case in Newfoundland. In the case of the Interlake region in Manitoba, it is apparent that the plan is dependent to some degree on developments outside the region, and on federal programs, in addition to FRED, that are national in scope. It is reasonable to assume that similar conditions and arrangements would have to be made if Newfoundland decided to designate the island as a special rural development area under FRED. The evidence to date clearly suggests that comprehensive rural development and planning at the regional level is somewhat limited; solutions to regional problems are not always available within the region itself.

The second question concerns the compatibility of regional solutions with national needs, goals and objectives. The fact that the Provinces of Manitoba and New Brunswick have signed FRED agreements with the Federal Government would indicate that the question does not arise. Indeed, Federal Officials have consistently maintained that the FRED Legislation provides for this contingency and that the Federal-Provincial co-ordinating mechanisms in the respective agreements provide the means for realizing this intent during the implementation of the plan.

In this regard, the Northeast New Brunswick region and plan would appear to be a model. The objectives and strategy of the plan were acceptable to both the Provincial and the Federal Governments. Appearances, however, can be deceptive. Although the drafting of the plan and the agreement was done by a Federal-Provincial Task Force, it was alleged that "...in effect, the Federal people told New Brunswick what the Agreement would do; what the plan would do and what it would not do." To be more specific, the allegation was made that the province was required to modify and shape regional proposals to satisfy national objectives and programs. Unless the province complied, Federal funds for the plan would not be forthcoming; and without Federal funds, the plan, as it presently stands, would not be feasible.

The importance and significance of this allegation is difficult to assess. At least, it suggests the vigorous presence of federal objectives and concerns in defining and shaping regional policies. This interpretation is borne out by the Agreement itself, Section 3 of which reads:

> "All projects undertaken under the program shall be jointly approved by the parties hereto and shall be consistent with the Program Guide ... which

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[1] It is interesting to note that the Provinces of Alberta and Ontario have relied on Part V of the Second General Agreement for rural development programs. In both cases, problems were encountered in designating regions that would qualify under FRED. In the case of Ontario, policy has been program oriented, rather than area oriented.

> describes and defines the basic outline of the program and the objectives sought to be attained thereby."[1]

It is interesting to note, in this connection, that the Community Improvement Corporation has grown somewhat impatient with the Federal Government over the time taken to approve and sign project agreements proposed by the Corporation. Moreover, the fate of provincial project proposals in federal hands has given rise to frustration, uncertainty and concern, rather than confidence in the Federal-Provincial partnership.

The case of the Interlake plan in Manitoba is more striking. One of the major inputs to the plan is a program of structural adjustment of the freshwater fisheries in the region - an industry that employs about 2,000 men or 8.7% of the estimated labour force. The province insisted that the program include provision for the establishment of a fresh water fish marketing board.[2] The province clearly understood that the establishment of such a board would serve as a precedent and model for the fresh water fish industry in other provinces (not to mention the inshore fishery in Newfoundland), and it was clearly recognized that the ultimate success and utility of the Manitoba Board would depend on the interprovincial marketing control and authority.

The plan, of course, provides for a fresh water fish marketing board, but the terms thereof are interesting. Referring to programs related to the fishing industry in the Interlake region, Section 45 of the Agreement reads in part:

> "These programs will be related, unless otherwise agreed, to the establishment of marketing boards as required for allocating the catch to a fisheries adjustment program, and to credit provisions ...[3]

The stipulation - "unless otherwise agreed" - is, of itself, an innocent reservation which apparently applies to credit and adjustment projects, as well as the question of a marketing board. However, it was learned that the question of a marketing board cannot be taken for granted; that the Federal Government is at least uneasy about the establishment of a marketing board in the Interlake region and at worst (or best) unprepared to agree to such a program.

Doubt has further been expressed concerning a second major input to the plan, namely, manpower training. One of the critical solutions to the region's problems is the retraining and mobility program. The province intends that this program be directed towards the planned and anticipated industrial expansion in the Selkirk area. However, a number of problems have already arisen. First, there is no clear agreement between the province and the Federal Canada Manpower Centre regarding the new regulations in respect of re-training and mobility. Second, the new manpower legislation and regulations make it clear that the objectives of the program are national in scope, not regional. For example, Manpower is prepared to re-train individuals in the Interlake region for work in the Selkirk steel mill providing there is not a surplus of steel workers in Hamilton or Montreal. In such an event,

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[1] Northeast New Brunswick Agreement, p. 8-9

[2] In addition, programs have been proposed for the improved management and technical rationalization of the industry.

[3] Manitoba Interlake Agreement, Part III, p. 16.

Manpower would provide mobility assistance to unemployed steel workers in these two cities to move to Selkirk, rather than re-train under or unemployed labour in the Interlake region for this purpose.

We are dealing, of course, with an hypothetical case; a case, nevertheless which has given the province cause for concern. In the words of one Public Servant: "The plan may well be scuttled before it gets off the ground." The Federal reply simply dismissed the concern as unfounded, pointing out that even if such an hypothetical case did develop the multiplier effect would provide additional job opportunities for the under and unemployed in the region.

In any event, it is clear that regional solutions to regional problems are not always compatible with national objectives and programs. As far as the Manitoba Interlake and Northeast New Brunswick regions are concerned, the presence of national policies and programs in shaping regional solutions is more than apparent.

The third question concerns the availability of machinery and resources within the region for the purpose of resolving regional problems. The question, perhaps, belabours the obvious; the answer is readily apparent. FRED itself is an impressive testimony to the limited capacity of the provinces - at least, the provinces under consideration - to financially support comprehensive regional development plans. For example, the Federal Government - through ARDA, FRED, Manpower and CMHC - has agreed to pay some 70% of the total cost of the Northeast New Brunswick plan;[1] in the case of the Manitoba Interlake plan, the Federal share of the total cost is 58%.[2]

Related to the question of costs is the role of federal programs such as Manpower, CMHC and in the case of Manitoba, the Area Development Agency. All these programs operate within the context of national policy and objectives; all are critical to the success of the comprehensive plans and agreements under consideration.

In regard to resources, Northeast New Brunswick and Lower St. Lawrence-Gaspe region of Quebec appear to be regions in which the resource base, if properly used, will support the regional population and a significant increase in the standard of living at the same time. These conditions only partly obtain in the Interlake region of Manitoba and are certainly not present to the same degree in Newfoundland.

Equally important is the question of investment capital. The proposals of the BAEQ and the Northeast New Brunswick plans both call for the development and expansion of the mining sector in their respective regions. Both depend on investment decisions being made outside of the region. The only controlling factor provided by the plans is through tax concessions and public investment in social overhead developments.

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[1] Northeast New Brunswick Agreement, Schedule C.

[2] Manitoba Interlake Agreement, Schedule C. In 1968, the Federal Government signed a comprehensive rural development agreement with the Province of Quebec concerning a five year plan for the Lower St. Lawrence region. The total cost of the plan is $258.8 million; the Federal Government will assume 80% of the total cost.

What, then, may be said of comprehensive rural development at the regional level? The experience to date would suggest that the term "region" in regard to development is somewhat misleading. There is no question that the term is relevant in designating a geographic and social-economic area having growth potential. However, the descriptive value of the term in regard to the planning process leaves something to be desired. It is clear, that in the so-called regions we have considered, the process of planning, including public and private inputs, the objectives sought, and the resources available, are by no means exclusively confined to the region itself. Federal inputs, along with national policies, objectives and conditions, are anything but inconspicuous.

The FRED Legislation, as we have pointed out, provides for planning at the regional level, with provisions for federal or national co-ordination. Does the experience with the legislation to date measure up to the expectation? It is difficult to answer the question without equivocation. In the case of Manitoba and Newfoundland it is tempting to speak more in terms of national planning, with provisions for regional development, rather than regional planning, with provisions for federal co-ordination. The emphasis on regional development is more apparent in New Brunswick, and in the proposals of the BAEQ. Nevertheless, federal influence in designing the Northeast New Brunswick plan, and the dependency of both, this region and the Lower St. Lawrence-Gaspe in Quebec, on federal monies and outside private capital, all point to the presence and importance of "outside" regional influences on the planning process.

THE OBJECTIVES OF PLANNING

As we have stated several times before, the objective of ARDA is to provide income and employment opportunities, and improve the use and exploitation of natural resources in those rural areas in Canada suffering from adjustment problems due to technological change. It bears repeating, and it is important to stress, that ARDA assumes that the larger urban industrial society is an acceptable objective. The larger society is not questioned; it is described as being "well organized and generally effective".

Whatever the short comings in the range of ARDA programs described in the previous chapter, one thing stands out: all the programs undertaken so far subscribe to this objective, and each in its way make a contribution, however modest, to this end.

It has been further pointed out that the objective of the FRED Legislation is the same. The question we must now ask is whether the intent of the legislation has been realized in those provinces that have signed FRED Agreements, or have undertaken research programs in anticipation of an agreement.

The answer, in the main, is yes. The basic objective of the Northeastern New Brunswick and Manitoba Interlake comprehensive rural development plans is spelled out in the respective agreements in the same words: "...to increase the level of income and the standard of living of the people presently residing in the area." Moreover, a careful examination of the respective plans reveals that they are about education, job training and re-training, mobility, social capital investments in communities and schools, highway construction, house construction, alternative land use, changes and improvements in the management and use of resources such as fishing, agriculture and recreation, industrial growth and expansion incentives and irrigation. The strategy, in short, is not to change or challenge the larger society; it is, rather, to more rationally and effectively integrate the respective regions with a larger urban industrial society taken for granted.

Development plans, which in one respect are nothing more than words on pieces of paper, can be misleading. Care was taken to discuss the objectives of planning with those involved in Manitoba and New Brunswick. A selection of comments made by senior and responsible officials speaks for itself.

> "The objective is clearly industrialization, bringing the region into the swim of things. You may want to argue whether this is a good thing or not. I personally believe industrial society, city life and what have you, has its problems. Perhaps we should have been a little more critical. I don't believe it makes sense to accept things without some examination. But that is all water under the bridge now. We are going to bring the Northeast into the twentieth century. ... We anticipate some problems. Some people in government, not to mention some of our friends in CRAN, are fundamentalists when it comes to rural development. I didn't make the rules, but the rules say they are behind the times. These birds don't swing. They are not living in this day and age."

> "The aim, when all is said and done, is to uplift the region and integrate it with the provincial economy. The aim is adjustment...; to make changes in resource use, to re-train and upgrade skills; to enable the people in the region to share in a better standard of living."

> "Our society has the most remarkable standard of living in the world. The problem is, some areas have lagged behind. The whole purpose of FRED, of this agreement, of the planning we have been talking about, is to correct this situation. If an area can't make it on its own, you have to help it along. That is what we intend to do."

There is some evidence to indicate that the objective of the plans was critically examined by some Public Servants in the provinces. For example, the Manitoba Interlake plan represents a modification of a proposal initially made to the Federal Government by the Province, and a counter proposal made by the Federal Government to the Province. The Federal Government regarded the province's initial proposal as unworkable; the province regarded the Federal counter proposal as amounting to an attempt to "... adjust the Province of Manitoba out of existence", as one Provincial Public Servant wryly put it. "The issue, of course, was not the future of the larger society; it was, rather, the future of the region in that society."

In New Brunswick, one Public Servant expressed concern over the future of the French language and culture in the Northeast region. He maintained that CRAN was interested in this issue and suspicious of Fredericton's real intentions in this regard. However, he hastened to add that the economic objectives of the plan were acceptable to the population. In his words:

> "Some of the leaders in CRAN are businessmen. They have no quarrel with the purpose of the plan. They want the economic expansion the plan will bring them. They are angry because they feel nothing has been done; they don't like the way CIC is working on the plan."

Again, the larger society was not in question. The concern was over means, not ends, and the future of the French language and culture in a regional community seeking integration with the larger society.

The central issue in Newfoundland is the presence of a low income rural society in a province dominated by a smaller urban commercial, and semi-industrial community.[1] The rural society, which accounted for some 50% of the total provincial population in 1961 is based on the inshore fishery.[2] The smaller and dominant urban community rests on trade, commerce, transportation, the administration of government services and secondary manufacturing. The official objective of government policy is the further industrialization of the island, and the integration of the rural hinterland with the growing urban, semi-industrial economy.

The Federal-Provincial Task Force appointed in April of 1966 was given the job of studying the rural economy and preparing a development plan on the basis of the findings. In the course of a year, a difference of opinion among the members of the Task Force and Senior Federal and Provincial Public Servants arose over two questions: the desirability of integrating the rural hinterland with the urban economy, and the possibility of revitalizing the rural economy and re-training a somewhat separate and independent rural community.

It should be pointed out that the parties to the controversy agreed that, in any event, some rural-urban migration would have to take place; neither side dismissed the possibility of increased migration to the mainland; neither side maintained that rural Newfoundland could or should remain isolated from and immune to the challenges and problems of the twentieth century. The issue was mainly over the question of a revitalized rural economy and society or an integrated rural economy and society.

The key to the controversy lay in the state and future of the inshore fishery. The proponents of integration maintained that revitalization of the rural community was impossible in terms of the inshore fishery. The only way in which the fishing industry could become more productive, and standards of living in rural Newfoundland rise, was through the development and expansion of the off-shore fishery, the establishment and concentration of the rural population in growth centres and the development of a fish plant industry in some, if not all of the growth centres.[1]

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[1] For example, some 40% of the 1961 urban population was concentrated in either metropolitan St. John's or Cornerbrook. The population of Cornerbrook, the second largest city in Newfoundland, was 25,185 in 1961. Source: Census of Canada, Bulletin 7.1 - 2, Table 3.

[2] This conclusion is taken from N. IVERSON & D.R. MATHEWS, Communities in Transition: An Examination of Planned Resettlement in Newfoundland, Unpublished report, University of New Brunswick, 1967. It should be pointed out that labour force statistics concerning rural Newfoundland are highly unreliable. The 1961 Census shows that 18.9% of the total male labour force in Newfoundland in 1961 was engaged in fishing and trapping, forestry and agriculture. We were informed that these official statistics do not take into account the seasonal variation in rural employment and the fact that most do more than one job.

The proponents of revitalization rejected integration as being desirable in every instance, or even necessary. They pointed out that the program of resettlement already underway has been imposed - in the main - on a reluctant population.[2] They maintained that inshore fishermen were leary of and anything but eager to become involved in the offshore fishery.[3] They argued that the prospects of working in large fish plants for unknown wages and periods of time was nothing more than jumping from the frying pan into the fire. Indeed, they suggested that the effective income of inshore fishermen and their families living in the outports might well prove greater than any income derived from wage-labour in the fish plants.[4] In short, they suggested that the objective of integration alone was of questionable value in respect of the needs and interests of the rural population.

The importance of this suggestion must be considered in the light of their conviction that integration was not necessary. The inshore fishery, they maintained, could be converted into a viable and economic industry. The gradual expansion of the offshore fishery, on terms acceptable to the rural population, could proceed hand in hand with the re-organization of the inshore fishery and the fish trade.[1] The economic productivity that followed would transform the inshore fishery from a subsistence economy to one that could sustain a revitalized rural community for many, if not all of the rural population; moreover, the terms and conditions of economic planning and development would be consistent with the needs and interests of the population itself.

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[1] The forestry and mining industry could be further serviced from growth centres. Moreover, the concentration of population in a relatively small number of large growth centres would enable the consolidation and rationalization of government services to the rural community and population.

[2] The province had undertaken a resettlement program as early as 1953. In 1965, the Federal and Provincial Departments of Fisheries administered a new program under The Resettlement Act of the same year. On June 20, 1967, the Federal and Provincial Governments signed a new agreement under the Act, providing for an acceleration of the program. A study of resettlement under the 1965 Legislation was cited, along with the experiences of rural development officers, as evidence in support of the claim that many in rural communities were reluctant to move. See IVERSON and MATHEWS, op. cit.

[3] In the word of one Public Servant: "They won't go near the offshore fishery unless they are forced to. They consider it dangerous. It is on the offshore that you lose boats, men - through icing, storms; you never hear of a drowning on the inshore; all the fatalities are on the offshore; besides, on the inshore, you run your own operation. On the offshore, you are usually a labourer for a fish plant."

[4] In this connection, a member of the Task Force constructed a hypothetical income for an inshore fishing family in Bonavista North. The family consisted of eight people: the head, who owns his house, fishing boats, gear and equipment and shore installation, three children of school age, an unmarried working son, and unmarried working daughter in some urban centre of the province, a wife, and the husband's mother. The family's annual hypothetical income, including gross income from fishing, unemployment insurance, outside work, family allowance, old age pension and income in kind, came to $3,990 - a rather substantial income for a family involved in a subsistence economy.

[5] It was felt that once the inshore fishery was re-organized by the fishermen themselves - a process that would include the establishment of a marketing board, and the marketing of the entire catch by the producers - it would be possible to persuade younger fishermen to organize producers' co-operatives, in which a number of fishermen might purchase a trawler, and fish the offshore as a production team.

The bone of contention between the two factions then concerned the future viability of the inshore fishery. The advocates of integration insisted that its economic potential was rapidly vanishing; that it could support no more than a subsistence standard of living, generously subsidized with unemployment insurance and welfare payments. When pressed, they conceded that the problem was not a function of the supply of fish; rather, the question concerned the rationalization of the fish industry, and the need for increased emphasis on the offshore fishery, fish plants in growth centres, etc.

The advocates of revitalization insisted that the inshore fishery could be saved and revitalized providing the fishermen involved acquired bargaining power through the organization of a compulsory, producer controlled marketing board, and the eventual integration of marketing and processing with the production of fish, the process of vertical integration being controlled by the fishermen themselves. When pressed, some, but not all of the proponents of revitalization admitted that this was not a realistic political objective. In the words of one: "In Newfoundland, the fish trade is sacred. You just take it for granted. That is all there is to that. Joey would never buy it." Moreover, it was generally conceded that the process of revitalization alone was not an answer to the question of rural poverty in Newfoundland. The concept of revitalization was applicable to those families for whom retraining and mobility was not an acceptable alternative.

> "We suggest that for many rural families, in areas with under utilized resource potential, revitalization - or improving the productivity and income of these persons engaged in the resource sector - can plan a very important part in the plan. We reject the notion of a single, grand solution to Newfoundland's problem of rural poverty - whether that grand solution be resettlement, vocational training, education, or revitalization. There are rural families in diverse social and economic situations in different parts of the Province and different types of programs will be necessary."

One member of the Task Force - a social scientist, who has since left Newfoundland and agreed to being quoted - was not so cautious nor conciliatory.

> "The Objective? The objective is to regard rural Newfoundland as one large potential pool of cheap labour - cheap labour for the British controlled lumber industry, cheap labour for the American controlled fish industry. All these programs and plans you hear about - resettlement, mobility assistance, retraining - they all seem impressive. But they amount to - how do you call it - icing the cake? And the cake is filled with arsenic for these people. The people could build, develop and control a fish industry that would allow an exciting and constructive rural community to flourish. They have done this in Europe. They have done it in Iceland. But the Federal and Provincial Governments here won't do it. They are afraid of the fish trade. Besides, they have no imagination."

The most searching analysis and evaluation of the objective of comprehensive regional planning have taken place in the Province of Quebec. Of some interest is the fact that analysis and debate have by no means been confined to Public Servants directly involved with ARDA programs.

In 1961, the Provincial Government established *le Conseil d'orientation économique du Québec* (Quebec Economic Advisory Council). The Council was directed to:

> "*(a)*...prepare the plan of the economic organization of the province with a view to the most complete utilization of its material and human resources; *(b)* to advise the Government of its own motion or on request, of any economic matter."[1]

Between 1961 and the fall of 1962, the Council concerned itself with specific and immediate economic problems. They recommended the establishment of a public body to be known as the General Investment Corporation, the nationalization of private power companies, the issue of Quebec Savings Bonds, and the institution of the Quebec Pension Plan and the Deposit and Investment Fund.[2] Clearly, these considerations were related to widespread concern over the absence of public control over power and natural resources and the dependency of the province on outside private investment capital.

In the fall of 1962, the Council undertook to concentrate its efforts on the preparation of a development plan for the province. By 1964, it was apparent that this rather ambitious assignment was meeting obstacles which were difficult to overcome in a short period of time. In its 1966 Annual Report, the Council lists the principal difficulties.

> "These restraints are of various nature: some relate to lack of planning experience, shortage of qualified personnel in relevant fields and dearth of appropriate statistical data; others have institutional connotation; shared jurisdiction between the Governments of Canada and Quebec, poor co-ordination between programs of different departments, and Quebec's economic structure which blends the characteristics of a developed economy, largely propelled by outside sources, with elements of a traditionally unsophisticated, sluggish economy."[3]

On May 18, 1965, the Council received a letter from the Prime Minister of the province, requesting the Council to give precedence to a study of regional development policies capable of restoring a balance of growth and development among Quebec's several regions. The Council has since directed considerable attention to this issue, including a study of the report and recommendations of the BAEQ.

A regional development policy has not yet been agreed to by the Provincial Government. Nevertheless, the province has come a long way in delineating the parameters of the issue. There is a recognition that present constitutional arrangements do not necessarily facilitate a number of regional approaches to development. There is concern over the concentration of investment, industry, employment and population in the greater Montreal area. The dominance of the metropolis over the hinterland, and the role of outside private investment capital in this process are acknowledged.

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[1] The Quebec Economic Advisory Council Act, Sec. 3. The Act received Royal Assent on February 22, 1961.

[2] 1966 Annual Report, Quebec Economic Advisory Council, p. 13-14.

[3] Ibid., p. 14.

The Quebec Economic Advisory Council has explored a number of regional policy alternatives and appears to favour an approach which encourages the development and growth of a limited number of regions with a view to re-establishing interregional balance in growth.[1] Dr. Roland Parenteau, Director General of the Council, has commented on this approach.

> "This is a compromise between excessive centralization and too severe a scattering of economic activities. The concentration of activities in chosen growth areas enables them to rapidly reach a state of development where they become dynamic through their own efforts. Prosperity thus generated spreads from one sphere to another, more so as the population grows and creates a market which justifies new activities. The success of such a policy can only emerge from government intervention in order to prevent excessive concentration in the large metropolis as well as to stimulate the regrouping in promising secondary centres."[2]

The views of the Council notwithstanding, the absence of any clear cut regional policy in the province has affected the work and recommendations of the BAEQ. In discussing an institutional framework for regional planning, the BAEQ notes:

> "...the aims for regional organization must be greatly adaptable, since the provincial government has not made a definite choice in the field of regional development, and regional organization will be dependent upon this choice."[3]

Through interviews with responsible Public Servants connected with the implementation of the BAEQ Plan, it was apparent that *(a)* the BAEQ was obliged to consider development proposals that were consistent with the present economic pattern of development within the province, and *(b)* the proposed plan is being considered as a pilot experiment, a "modest beginning" which may influence the future direction of government policy and may, in turn, be influenced by that policy.

THE METHODS OF PLANNING

As far as we know, there are no precedents in Canada for the kind of comprehensive regional planning envisaged by the FRED Legislation. The ad hoc pattern of government planning described in the first section of this chapter has not provided a model for rural development planning, or for that matter, comprehensive planning of any kind. It has not produced a cadre of Public Servants skilled and experienced in the processes of development planning, nor has it established a pattern of machinery amenable to comprehensive regional development.

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[1] See The 1965 Annual Report, Quebec Economic Advisory Council, p.22.

[2] R. PARENTEAU, The Interaction Between Economic Development and Regional Environment, International Conference on Regional Development and Economic Change, Toronto: Government of Ontario, 1965, p. 151-2

[3] A Summary of the Development Plan for the Pilot Region, Chap. V, p. 186

In this regard, FRED has represented a potential break with the past. It has imposed the awesome necessity of experimentation on those provinces that have decided to undertake a comprehensive rural development plan. The process of trial and error has not been uniform among the three provinces concerned; we propose to examine their experiences to date separately.

In the fall of 1961, the Government of Manitoba appointed a committee to study and report on the provinces' economic potential and future. The body, known as the Committee on Manitoba's Economic Future, completed its studies in the winter of 1963 and presented its views in a massive report in the spring of the same year. Among other recommendations, COMEF emphasized the need for and importance of government planning on a regional basis.[1]

The publication of the report coincided with two additional developments which have a bearing on the Interlake plan. First, the Federal Minister of Agriculture announced, in the spring of 1963, that Federal ARDA was prepared to assume the total cost of development research. Second, a Federal election was called for the spring of the same year. ARDA programming in Manitoba at this time was anything but spectacular, an ironic state of affairs in view of the claims made on behalf of ARDA by Federal Conservative politicians. There is reason to believe that the Provincial Government decided to correct a potentially embarrassing situation and accordingly designated the Interlake and Western Manitoba area as a development region.

An inter-departmental research committee was established under the chairmanship of the Provincial ARDA office. The committee received some one hundred research proposals from the academic community and others. In view of the short period of time allowed the committee for the purpose of drafting a research project or program for the region, the final proposal included a number of projects which proved, in the words of one Public Servant, "...to be a waste of the tax payers' money."

Within a year (the spring of 1964), two regional resource conferences were held in the designated area. The purpose of the conferences was to inform local communities of the progress made so far in determining the characteristics, needs and problems of the area. Participants were invited to organize area development boards; eight such boards grew out of the regional conferences.

By the spring of 1965, it was possible to fashion guidelines for development within the region. During this period, Departments and Deputy Ministers concerned with natural resource use and rural development were kept informed regarding research progress and findings. In addition, the guidelines were discussed with the Area Development Boards in the spring of 1966.[2] The reactions of the Area Development

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[1] See The Report of the Committee, especially Part II, pp. 11-32-33.

[2] See Guidelines for Development: The Interlake Region of Manitoba, Winnipeg: The Queen's Printer, 1966. For a brief outline of the research undertaken in the Interlake Region, see The ARDA Program in Manitoba: 1962-66, Manitoba Department of Agriculture and Conservation, 1966, pp. 13-14.

Boards, along with the suggestions from related departments within government, were taken into consideration in the preparation of a comprehensive rural development plan, which was submitted to the Federal Government in September of 1966. As we have already pointed out, the Federal Government claimed the plan was unworkable, and submitted a counter proposal to the Provincial Government. Eventually, a compromise plan was agreed upon, providing a basis for the Agreement signed in May of 1967.

Despite the inauspicious circumstances surrounding the designation of the region, and the haste which attended the preparation of a research program for the region, the research program, the involvement of the community and related and concerned governmental departments, the preparation of a plan, the negotiations of a FRED Agreement and the authority to implement the plan within the province have all been carefully integrated with the ARDA administration itself. More important, the various phases involved and summarized above were tied together under one authority. Put another way, the ARDA Co-ordinator within the province has been able to follow the process through - from the decision to undertake a research program to the process of implementation of the plan itself. In this regard, there has been administrative continuity, linking the various stages and processes of planning together. Of some importance is the fact that the Federal Government was not involved in the initial planning process and was virtually confronted with a fait accompli in the fall of 1966. One Public Servant observed:

> "It was deliberate, of course. We know and understand the priorities and needs of Manitoba. They don't. Although I am not in a position to know, I understand they were somewhat unhappy at being excluded. You must recognize that there is something of a tradition in Manitoba in encouraging the Federal Government to mind their own business."

The process of planning concerning the Interlake Region has been adequately summarized by the ARDA Co-ordinator. During the interview, he said in part:

> "In terms of the elements - the inputs to the plan - there is really nothing new or original. What is original - if that term applies - is the way in which we have integrated programs and techniques and focused them in some coordinated way on one region. This in effect was what the planning procedures were about. We had to find out what the problems were, we had to decide what kind of economic change and development was possible, and then devise solutions accordingly. Having decided on solutions, it was a simple question of applying the programs best suited to these ends. There was really only one surprise in the whole process. At the beginning, FRED had not been heard of. The question of financing was going to prove a problem. However, in the spring of 1966, it was apparent that finances were not going to necessarily restrain the development program. We proceeded accordingly."

In 1963, the Government of New Brunswick designated Northeast New Brunswick as a Pilot Rural Development Research Area under the first Federal-Provincial Agreement.[1]

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[1] An excellent and thorough outline of the research program undertaken in the region is available in H.R. SCOVIL, An Outline of Rural Development Research in Northeastern New Brunswick: 1963-1965, a paper presented to the Canadian Council on Rural Development, Levis, Quebec, September 28, 1966.

In July of the same year, Professor H. Whalen undertook a preliminary inventory of the physical, social and economic characteristics of the region, presenting his recommendations to Government in the fall. On the basis of his work, the Government contracted with the Hunting Survey Corporation for a more intensive examination of the resource and economic growth potential of the region. This second study was completed in the spring of 1965, at which time the Federal and Provincial Governments appointed a Joint Task Force for the purpose of preparing a comprehensive rural development plan. At the same time, the Legislature passed the Community Improvement Corporation Act, establishing a public corporation for the purpose of implementing comprehensive rural development plans.[1] In the meantime, the Joint Federal-Provincial Task Force completed its work in the summer of 1966 and a comprehensive rural development agreement under FRED was signed in September of 1966.

In one respect, the experience in New Brunswick parallels that of the Interlake region in Manitoba, namely: the designation of the region, the establishment of a research program, the preparation of a plan and the signing of a FRED Agreement. There, however, the similarity ends. Unlike Manitoba, there was an absence of administrative co-ordination and integration of the various phases involved. The research was undertaken by one group of individuals; the Task Force was composed of a different group of individuals; the Agency assigned the responsibility of implementing the plan involved an entirely different group of Public Servants. Indeed, the CIC was virtually handed the signed Agreement in the fall of 1966; the only contact they had with the preparation of the plan was to see a draft copy of the plan and the proposed Agreement before it was signed.

It may be objected that co-ordination of a sort did exist; that the various phases of planning summarized above were supervised by those Senior Public Servants concerned with ARDA programming in the province. Such, of course, was the case. However, an observation by a Senior Public Servant questions the value of this kind of co-ordination.

> "There was not one single person or group of persons that was intimately close to the whole planning process. The entire show was co-ordinated at the Deputy and Assistant Deputy level. But what does this really mean? Successful co-ordination at that level depends on having some joe-boys lower down keeping their fingers on the pulse. This did not happen. The result was that the people who prepared the plan did so on the basis of work done by others. The CIC has been given the job of implementing a plan developed by others. The result has been a mess."

And another Senior Servant added:

> "Hindsight is a wonderful thing. We can see our mistakes now. The problem is, we were the first to develop a comprehensive plan under FRED. We had to work in the dark. If we had to do it again, we would do it differently. We would tie all these phases together."

It is not without irony that the Community Improvement Corporation Act of 1965 provides for this kind of co-ordination and integration of planning under one agency.[2]

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[1] The Bill received Royal Assent on April 3, 1965.

[2] See Section 5(1) of the Act.

Newfoundland's experience with comprehensive rural development planning has, by comparison, been recent and brief. A Task Force was appointed in the fall of 1966 and undertook a research program for a period of a year. As we have already pointed out, the Task Force was disbanded in the spring of 1967; two of the original members were retained and assigned the task of preparing a comprehensive rural development plan.

The preparation of the plan was in its initial phases when we visited Newfoundland in June of 1967. However, we were able to gather some data on the research strategy employed to date. The island was originally divided into 32 "miniplan" areas; research was undertaken to determine which of these areas was *(a)* in greater need of a development plan, and *(b)* had a potential for social and economic growth.[1] Two problems were encountered in ranking areas according to need. First, the best available index was per capita income. In this connection, the only reliable figures available were for 1961. In was impossible therefore to assess need in terms of per capita income over a period of time. Second, income figures were only available for DBS Census Divisions. Analysis of regional variation in income was restricted to rather arbitrary, administrative boundaries.

On the basis of need, it was found that 15 areas had per capita incomes that were considerably less than one-half of the national average. Studies concerning the economic potential of these areas were then undertaken; on the basis of the findings it was decided to select seven areas for rural development planning. These included Bonavista North, Twillingate-Lewisporte, The French Shore, Strait of Belle Isle, Port au Port Peninsula, Codroy Valley and the Southwest Coast.[2]

The strategy for planning within these seven areas remained to be worked out. Consideration had been given to an overall comprehensive plan which allowed sufficient flexibility for area administration and implementation. A more modest approach, involving the development of a plan for one of the seven areas under Part V of the Second Federal-Provincial General Agreement had also been considered. It seemed that Newfoundland might decide to abandon plans for a FRED Agreement, at least for the time being.

The uncertainty which seemed to prevail in Newfoundland at this time was not without foundation. As we pointed out in Chapter III, new legislation was enacted in 1966. As of the late spring of 1967, the establishment of the Department of Social and Community Development had not taken place. It was not clear who would be appointed to the position of Deputy Minister and who would receive senior administrative posts within the new Department. Nor was it at all clear what policy guidelines the new Department would adopt. As indicated in the previous section of this chapter, there had been considerable debate within Government circles as to what approach rural development should take. At the time of writing, the debate had not been resolved, although it would appear that the concept of revitalization in respect of rural development was not regarded favourably by most in government.

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[1] The division of the province into "miniplan" areas was somewhat arbitrary. Such factors as geography, trading patterns and industry were taken into account. However, the arbitrary nature of the process of designation was readily conceded.

[2] Of all these areas, the Port au Port Peninsula alone has little, if any potential for economic growth and social development. The area was included on the basis of need.

Moreover, there seemed to be reason to believe that the province had no real intention of becoming involved in comprehensive rural planning in the proper sense of that term. We were able to gather an impressive body of evidence - much of it confidential - which points in one direction ; namely, welfare programs. In this connection, it is important to realize that Government administration in Newfoundland retains a colonial tradition. The onus on the individual or community to petition, and the right and obligation of the Government to listen and dispense favours, remain. There is reason to believe that concepts such as community involvement or participation, planning and regional development do not convey the same meaning and import in Newfoundland that they do in provinces such as New Brunswick and Manitoba. Indeed, it would appear that the work of the Task Force to date has been more of a ritual than anything else. One should not be surprised if "planning" in Newfoundland amounts to nothing more than a disjointed series of ad hoc handout programs, designed either to integrate the rural population in this manner with the commercial, semi-industrial urban based community, or keep the rural community content and indebted.

The experience in Quebec is again somewhat different. In 1963, negotiations between *le Conseil d'orientation économique du Bas St-Laurent* (COEB) and the Provincial Government led to the designation of the Lower St. Lawrence, the Gaspe and the Isles-de-la-Madeleine as a pilot area for regional planning under ARDA.[1] In July of the same year, the COEB and a similar council for the Gaspe and Isles-de-la-Madeleine formed a non-profit research and planning organization to be known as the BAEQ.

The COEB has already undertaken a modest demographic and soil capability study of the Lower St. Lawrence region. With the establishment of the BAEQ, the scope and depth of the regional study were enlarged. Some 80 specialists, representing a wide range of scientific disciplines were hired to undertake a global and comprehensive study of the geographic, economic and social characteristics of the region. Of no small importance was the effort to involve the regional population in the research process, including the task of preparing a development plan for the region.

In the meantime, the Provincial Government established the *Comité permanent d'aménagement des resources* (CPAR) - a committee of Senior Public Servants for the purpose of co-ordinating decisions and activities concerning the use and development of natural resources in the province. In the spring of 1965, the Quebec Economic Advisory Council began to concentrate its efforts on the question of regional development and planning in the province. As far as we were able to ascertain, there was no concentrated and systematic attempt to co-ordinate and integrate all of these activities (including the work of the BAEQ) except through working committees of the Quebec Economic Advisory Council.[2]

This situation changed somewhat on September 17, 1965, when the Council established the Eastern Quebec Planning Bureau Report Committee to study the report and recommendations of the BAEQ. In March of the following year, the Provincial Government agreed to the establishment of a *Bureau d'étude sur l'aménagement régional* (BEAR) for the purpose of co-ordinating the study by Government Departments of the BAEQ report and assume responsibility for regional development policy and planning for the province. In the interim, the Council established a liaison committee to co-ordinate the implementation of the pilot area development plan with Government Departments and policies. The Committee was headed by the Director General of the Council and includes Senior Public Servants (Deputy, Associate Deputy and Assistant Deputy Ministers) from the Departments of Family and Social Welfare, Labour, Intergovernmental Affairs, Natural Resources, Municipal Affairs, Lands and Forests, Industry and Commerce, Highways, Agriculture and Colonization (including ARDA), Education and CPAR.[1] A special committee of this group was assigned the responsibility for designing proposals in respect of a Federal-Provincial Agreement under FRED for the Lower St. Lawrence, Gaspe and Isle-de-la-Madeleine region.

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[1] Supra., Chap. IV, p. 52.

[2] For example, the Regional Economic Councils Committee of the Council included the Chairman of CPRA and the Chief Planner of the BAEQ.

In reviewing the Quebec experience, a number of striking features stand out. The comprehensive nature of the study undertaken by the BAEQ is breathtaking; the degree of involvement of the regional population in the study and planning process is, by comparison, unique. Between 1963 and 1965, the co-ordination of the work of the BAEQ with the activities of other Government Departments and Agencies was, at best, minimal. However, since 1966, a concerted effort has been made to co-ordinate and integrate many Government Departments and Agencies in the study of the BAEQ report and in the process of determining a development strategy for the region, negotiating a Federal-Provincial Agreement in respect of the region, and undertaking arrangements for the implementation of the plan. In this connection, it is important to note that many Departments and Government Agencies have been somewhat reluctant to become involved in a process of co-ordination of activities for the purpose of regional planning.[2] When one considers that the English summary of the BAEQ report amounts to 265 pages, the challenge undertaken by the Quebec Government can be appreciated.

Finally, there has been an important element of continuity in the planning process. Despite the initial period in which there was a tendency towards separate, but parallel activities on the part of the COEQ, CPAR and the BAEQ, many of the planners associated with the BAEQ have since been integrated with established Government Departments and Agencies for the purpose of assisting in guiding and directing implementation policies. Equally important, the regional population includes many individuals who were involved in the pilot study, assisted in preparing the plan, and who will, no doubt, be involved in the implementation process. This degree of continuity has not been in evidence in the other provinces.

To summarize, the pattern of experimentation among the four provinces has not been uniform. Manitoba has experienced some success in integrating the various phases involved in preparing and implementing a comprehensive rural development plan under one administration, providing for continuity in terms of personnel. In Quebec, a far more intensive and comprehensive approach to planning has been undertaken. Several Government Agencies have become involved in the process of determining a development strategy and the proposal for implementation is far more complex than in the case of Manitoba. Despite these complexities, the conditions for continuity in planning have been well established in the province.

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[1] For a complete list of the membership of the Liaison Committee see the 1966 Annual Report of the Council, Appendix II, p. 60-62.

[2] For a penetrating analysis of this question, see Development Plan: Pilot Region, Quebec: BAEQ, 1966, Vol. VIII, Chap. V, Sec. I.

In New Brunswick, the various phases in planning were undertaken by different groups of individuals. There was no continuity in terms of personnel and co-ordination took place at the level of the Deputy and Assistant Deputy Ministers' office. There is reason to believe that co-ordination at this level was not, in itself, sufficient to provide effective integration of the various phases of planning. Like Manitoba, Newfoundland attempted to assign research and plan development to one body - in this case, the Federal-Provincial Task Force. However, the work of the Task Force took place in an unstable situation. For some Public Servants in the province, the establishment of the Task Force and the promise of comprehensive rural and regional development was long overdue. For the government of Newfoundland, it would appear to be somewhat premature.

This brief review of experimentation in planning does not do justice to some of the more important issues that have arisen in the process, one of the most important of which is the question of orientation.

Given the objectives of planning described in the previous section of this chapter, the questions of orientation concerning human versus natural resources and economic-technological considerations remain. In Manitoba, for example, there is a clear commitment to conventional economic considerations. In the words of one Public Servant:

> "We are hard nosed when it comes to resources and resource use. If a resource has economic potential, we will attempt to utilize it. But we have no intention of preserving agriculture in the Interlake region for the sake of keeping people on the farm. The resource must support the population in the economic sense. If it doesn't, and can't, then it is a question of retraining people and encouraging mobility to other resource uses or industry within or outside of the region."

Given this commitment, there is reason to believe the province has every intention of orienting the projects under the plan towards human considerations and needs. In the words of the same Public Servant:

> "The plan is nothing if it is not this. For example, a good proportion of the Interlake population is Indian and Metis. This population - in the last analysis - is going to make or break the plan. We are dealing with human beings, not machines, land, fish, minerals, forests, or what have you. Our programs must be oriented to the needs of these people as well as the rest of the population in the Interlake. If we can't reach them, if we can't involve them in what we are trying to do, then we are beat before we start."

In New Brunswick, the comprehensive rural development plan is basically committed to the same kind of economic considerations as the Interlake plan in Manitoba. Moreover, the province has made a vital commitment to human needs and concerns in the planning process through its agreement to work with and involve CRAN in the planning process, to the extent of financing part of CRAN's operation and program, including the employment of a social animateur. This balanced mix of economic and human considerations and needs, however, has been thrown in question as a result of implementation.

The CIC's experience with comprehensive rural planning has been virtually confined to the implementation of the Mactaquac plan.[1] The basic orientation of the plan concerned resources, including the planning and construction of a community at Mactaquac, land-use programs, the development of an historic site and village, and encouragement of the rationalization of the forestry industry in the area. The plan, in short, was confined to physical considerations; the human equation was not central to the process of implementation; blue-prints, the construction of roads, the development of a new town site, the creation of an historic village site, etc., were all found to be manageable under a central planning authority; and the process of management was accomplished with considerable success.

Not so, in Northeast New Brunswick. The CIC has already discovered that a highly rationalized and well thought out program oriented to physical considerations is not working in the Northeast. The CIC has been accused by members of CRAN of "doing nothing" in respect of the Northeast Comprehensive Plan. Such, in fact, is not the case. A considerable amount of planning and work has been undertaken. The point is, the planning and projects to date have included physical consideration;[2] communities in the region, including CRAN, have been informed and only occasionally consulted concerning these activities.[3] When all is said and done, it would appear that CIC presently has a tendency to develop plans and projects, on the assumption that people will somehow fit into them, rather than encouraging community involvement and participation on the assumption that plans and projects of a suitable nature will emerge from this process. It is important to note that we are speaking of a tendency concerning two hypothetical extremes. The process of government planning and community involvement is obviously complex; it is anything but simple and straightforward. Nevertheless, it appears that a considerable gap between the planners in Fredericton and the community in the Northeast has developed; a gap which presently threatens to undermine, if not destroy, the 1966 Northeast FRED Agreement. Two comments concerning this dilemma speak for themselves:

> "The Northeast is on the rocks. CIC is good at developing projects and drawing up plans. They haven't a clue about involving the people. No plan will work unless the community understands it, approves of it, and wants to be involved in it. This situation no longer exists in the Northeast. All the planning so far has been a waste of time."

> "The CIC is not perfect. The experience in this kind of planning has been admittedly limited. The door is open for constructive criticism and

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[1] See the Mactaquac Regional Development Plan: Summary Report, Niagara Falls: H.G. ACRES & CO., 1965; The Mactaquac Regional Development Plan: Program Implementation, Fredericton: The Community Improvement Corporation, 1965.

[2] The CIC insists that the construction of schools, and development and improvement of communities must take priority over land-use and mobility and re-training programs if the objectives of the plan are to be attained with a minimum of disruption.

[3] CRAN has claimed that it has neither been involved in nor consulted concerning the implementation of the plan. The CIC has replied that CRAN officials have been met on a number of occasions, and have received a number of unanswered invitations to this end. There is no doubt, however, that CIC has taken the initiative in the implementation process.

> suggestion. But the fact remains that we have taken a sensible and pragmatic approach to implementation of the plan. If CRAN represents the people - and I don't believe it does - then you are forced to the conclusion that they don't want to know what is going on, they don't want to become involved; they want to run the entire show for their own private ends."

Quebec offers something of a variation in approach. Like Manitoba and New Brunswick, the objectives of the proposed plan for the Lower St. Lawrence region are to modernize the traditional economic sectors, create new industrial activities and upgrade manpower skills. While both Manitoba and New Brunswick subscribe to a comprehensive approach to regional planning, it is in Quebec - especially in the case of the BAEQ - that the term "comprehensive" takes on an emphatic meaning. In their reports, and in interviews with planners formerly associated with the BAEQ, there is continual and persistent reference to the need for a global approach to regional planning; an approach that embraces the geographic, social and economic dimensions to the region, and stresses the interrelationships among the economic sectors of the region as it exists at a point in time, and the proposed region as envisaged in the plan.

Equally important is the role attributed to the participation of the regional population in preparing and implementing a comprehensive regional plan. Of all the provinces, Quebec - through the BAEQ - has gone farther in deliberately attempting to reach the regional population and design ways and means for ensuring the involvement and participation of the population in the planning process.[1] Their efforts in this connection have been anything but token.

The situation in Newfoundland is more difficult to describe and define or classify, largely because the planning process remains in its preliminary stage. A conventional economic consideration of resource use within the province has been questioned in so far as the inshore fishery is concerned; nevertheless, it would appear that the advocates of "revitalization" have failed to make a significant impression on government thinking and policy. The role of community involvement and participation in the planning process is also in question. The traditions of a "colonial" administration are deeply rooted in Newfoundland life: the precedents for community action, voluntary associations of an economic and political nature, are simply absent. Some Public Servants within Government have developed a rather strong and imaginative commitment to community involvement and participation; it is doubtful at this time that their views will prevail. The presence of a "colonial" administration is not the only critical consideration in this regard. There is reason to believe that the rather unique strain of populism in Newfoundland's political history has become a screen for industrial and commercial development and expansion along lines that more closely resemble the 19th, rather than the 20th century. From this point of view, the province requires a mobile, flexible, acquiescent labour force. It is difficult to envisage what constructive contribution a policy of community involvement might make towards this end.

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[1] See M.A. MORENCY, Animation sociale: The Experience of the BAEQ, Ottawa: Department of Forestry and Rural Development, 1968.

The references to community involvement and participation in the planning process warrant further comment. The critical issue is the terms on, and the degree to which the local population can be involved in the process. Two considerations are involved: the one being political and the other being sociological. First, it is clear that there is no agreement among the four provinces as to the political question. Manitoba has consistently maintained that governments in general and the ARDA administration in particular have a responsibility to exercise leadership in respect of regional development and planning. In the words of one Public Servant:

> "The important point to grasp is that regional development and planning has not originated with the local communities. It emerged and developed at the level of the senior government in the province. What does the local community know of regional planning, the methods involved, the techniques applicable, and so on? The answer is they do not know. They need suggestions, guidelines, leadership. It is up to the government to provide this. You involve people to be sure, but you don't leave them in a vacuum. You give them something to go on, you listen to what they have to say, you modify sometimes your plans in the light of local reaction, and then you proceed from there."

The situation in New Brunswick is not as clear cut. The government assumed the main responsibility for the development of a comprehensive plan. At the same time, there was an early commitment to community involvement in the planning process. The government initially welcomed the establishment of CRAN in the Northeast region and effectively sanctioned its activities.

Officially, the government would appear to be committed to a partnership with CRAN in the implementation of the Northeast Agreement. To this end, public funds have been made available to CRAN for the purpose of financing some of their activities; the government has welcomed the employment by CRAN of a social animateur; ARDA has assigned a Rural Development Officer to work with CRAN and co-ordinate the activities of the association and government. Underlying all these commitments is the assumption that the local population can, through an organization such as CRAN, participate with government on an equal footing in the planning process. Indeed, some Public Servants have suggested that the role of government in the planning process is somewhat more limited than that of an organization such as CRAN.[1] In practice, of course, this approach and assumption regarding local involvement and participation has not been shared with the CIC, nor realized in the process of implementation of the agreement.

The policy in Quebec is comparatively straightforward. It will be recalled that the decision to establish the BAEQ was made by two non-government regional councils, one of which was organized in 1956 and had already undertaken its own studies in regard to development problems in the Lower St. Lawrence region. With the establishment of the BAEQ, there was never any question that the regional population must be involved in the process of preparing and implementing a plan. The degree to which this policy has been accepted is revealed in a paper already cited by Dr. Parenteau, Director General of the Quebec Economic Advisory Council.

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[1] For example, some officials feel that land use surveys, an integral part of any research program connected with rural development planning, can be best carried out in the main by people in the communities. Moreover, some value was seen in implementing a plan primarily at the local level, with the co-operation of the regional population.

> "A regional policy must ... rely on the active participation of the population for the drawing up of the plan for economic and social development. Inasmuch as the population concerned can influence the carrying out of the plan, either because it is composed of economic agents or because it can exert pressures on political powers, it must be conditioned to accept the proposed solutions. The easiest way to achieve this is to induce the population at the very start, to discuss its own problems and to search answers to them, through the methods of community development. This is not an easy way to follow, but one which is bound to yield greater results in the long run."[1]

A former planner with the BAEQ added:

> "Many people in the region wanted to solve their own problem; they wanted to be involved in the planning organization. Besides, the experts have no monopoly and good ideas on what is needed. The people who live there have some ideas too. This country wasn't built by experts."

The situation in Newfoundland remains in flux. It is clear that voluntary organization activity along the lines of CRAN in New Brunswick has not been a feature of community life. For this reason, there are many in Government who are effectively prepared to confine community involvement and participation to programs of information concerning the objectives or intent and procedures of planning. At the same time, there are a number of Public Servants who have given considerable thought to breaking with precedent and developing strategies for the effective involvement and participation of the community in the planning process. Their views in this connection are exciting, in some cases novel, and imaginative. It is not without irony that one must go to Newfoundland to encounter a stimulating discussion and examination of the terms and conditions of community involvement and participation.

To summarize, the political decisions concerning the terms and conditions of regional participation in the planning process vary among the four provinces. Quebec has clearly demonstrated tangible leadership in this regard, insisting on the involvement and participation of the regional population in the planning process. New Brunswick shows signs - in theory, if not totally in practice - of following Quebec's leadership. Manitoba shows every indication of encouraging community involvement in the planning process, but under very definite and limited circumstances. Newfoundland has yet to make a commitment, although it would be fair to say that the forces pressing for an open, permissive and experimental approach have yet to make a significant impact on government policy.

The second consideration is sociological and relates to the degree to which the community can be involved in the planning process. It should be pointed out that the data we have gathered in this connection are limited, and therefore suggestive, rather than conclusive.

There is no conclusive evidence to indicate that any of the four provinces concerned have effectively involved poor or low income families in the respective regions. In Manitoba, we were informed that regional conferences and educational meetings in the Interlake area were well attended by a "good cross section of the population". When asked to define what was meant by a "good cross section", Public Servants tended to reply in terms of geographic, rather than income criteria. None were prepared to totally dismiss the potential participation of low income families. However, considerable concern was expressed over the Indian and Metis population in the region. In this connection, it was openly admitted that involvement was going to prove a critical consideration in the implementation of the plan; grave doubts were expressed over the possibility of discovering or devising techniques by which the native population might be reached. To date, the Indians and Metis are essentially unaware of the plan and the FRED Agreement; those few who are acquainted with the plan have, in most cases, remained indifferent, if not suspicious.

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[1] R. PARENTEAU, op. cit., p. 152

Participation in the planning process in Northeast New Brunswick has been confined to the activities of CRAN. The president of the organization is a medical doctor, and there is reason to believe that the more active members of the organization - both at the parish and regional levels - include businessmen, professionals, a few skilled labourers and large or medium size farm operators. Moreover, we were informed that some of the leaders of CRAN are concerned over the difficulty the organization has encountered in reaching and involving low income families in their activities. A rural development officer who has worked with CRAN in the region observed:

> "They found it was possible to get many people, including the poor, out to an important meeting, especially in the early years. But it was difficult to keep their interest and get them or make them a part of what was going on. But at least CRAN has been able to do this. Without them, the government would have had no contact with these families."

Another Public Servant remarked that CRAN notwithstanding, the low income families in the region "remain in the dark". The view was expressed that it was idle to think of participation in terms of these families.

A similar pattern appears to be present in the Lower St. Lawrence-Gaspe region of Quebec. A study of the leadership of the two economic orientation councils in the region found that one in four of the leaders was a professional.[1] Nearly 70% of the leaders had an income of over $5,000 per year; less than 10% of the leaders had an income of less than $3,000 and only one in five had an income between $3,000 and $5,000. Thirty-five percent of the leaders were farmers, and 39% classified themselves as businessmen.

In commenting on participation of the regional population, a former planner with the BAEQ observed:

> "Some low income people were involved, but most were better off economically. Also, there were cliques among the orientation councils and in the other groups we set up. But we are confident that in time, with more experience, we can involve the poor more than we have at this time."

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[1] G. BOURASSA, Establishing New Regional Organizations (BAEQ), Ottawa: Department of Forestry and Rural Development, 1967.

In Newfoundland, no attempt has been made to involve the local population in the planning process so far. It should be pointed out however that none of the Public Servants involved in ARDA take community involvement for granted. One official put it this way:

> "There is no tradition in Newfoundland for this kind of activity. The rural people live at the subsistence level. It is a subsistence economy. Trade unions and co-operatives have never made much headway in Newfoundland. People from the mainland can't understand this. They point to Nova Scotia where you have miners' unions and fishermen's co-operatives. Why not in Newfoundland they ask. The reason is a different kind of economy - a subsistence economy. Planning is something new in Newfoundland. Rural development is something new. We have never had it before. You can't expect people to become involved overnight in something they know nothing about. I believe it could work, but it will take time, plenty of time, and all the resources of government behind it. We will have to experiment, experiment and experiment again. You can't take it for granted."

To repeat and then summarize, the data under consideration are modest, to say the least, and suggestive, rather than conclusive. They question the assumption that the local population in rural development regions will become involved in the planning process if allowed to do so. They suggest, rather, that involvement, where and when it is encouraged, tends to be confined to individuals who have a productive, stable and rewarding relationship to the economy and community. They suggest that the question of involving low income families in the planning process has been postponed, not resolved.

Passing reference has been made to the process of implementation of comprehensive regional development plans in the four provinces under consideration. At the Federal level, the ARDA administration has been designed to function as a clearing house for ideas and programs, and a co-ordinator of Federal Agencies and Departments with Provincial Agencies and Departments in the preparation and implementation of comprehensive rural development plans.

As we have already indicated in a previous chapter, this particular arrangement is somewhat unique. Instead of creating an ARDA administration that, among other things, duplicates from time to time the programs and functions of existing Federal Departments and Agencies, the Government has decided to involve existing Departments and Agencies in ARDA programs where the need for such involvement exists. To date, CMHC and Manpower programs have been integrated with FRED Agreements in the provinces of Manitoba and New Brunswick.

A similar approach has been taken in the Province of Manitoba. The ARDA Administration managed and co-ordinated the research program in the Interlake region, and involved, where necessary, Government Departments in the preparation of the plan. The Provincial Departments of Agriculture, Highways, Education, Health and Welfare and Natural Resources have already been involved in the early stages of implementing the 1967 FRED Agreement. Indeed, the Agreement itself is very much regarded as an opportunity for the acceleration and co-ordination of existing government programs.

The role of co-ordination alone in the process of implementation has been questioned in New Brunswick, Quebec and Newfoundland. In New Brunswick, it was discovered that the process of co-ordination had its limitations. One Senior Public Servant puts it this way:

> "Departments have their own system of priorities and their own problems. Some have a development outlook; others don't. Our experience has been that co-ordination itself would not get the Northeast plan off the ground. We felt it was necessary to establish specific machinery for preparing and implementing regional plans."

On April 3, 1965, the Legislature enacted the Community Improvement Corporation Act, providing for the establishment of a Crown Agency with wide powers and authority concerning regional planning and development in the province. The Board of Directors of the Corporation is presently composed of the Deputy Ministers of Natural Resources, Agriculture, Municipal Affairs, Education, Fisheries, Labour, The Deputy Attorney-General, the General Manager of the New Brunswick Electric Power Commission, the Economic Advisor to the Premier, the ARDA Co-ordinator, a representative from the Department of Finance and the retired Deputy Minister of Natural Resources. The CIC is responsible to the Legislative Assembly through the Minister of Finance and Industry.

The rationale behind the CIC can be stated briefly. Although the Lieutenant-Governor in Council retains authority to designate rural development areas or regions, the process of preparing and implementing development plans is placed in the hands of a Crown Corporation responsible to the Legislative Assembly, not the Government. At the same time, liaison with Government Departments and Agencies is maintained through the Board of Directors, which is made up exclusively of Senior Government Public Servants. In this manner, co-ordination of department and agency programs with a regional development plan and the establishment of planning priorities and imperatives without interference from line departments is possible. Moreover, the planning process is somewhat removed from the kind of political considerations that attend departmental activities.

The controversy surrounding the implementation of the Northeast Agreement by the CIC has given some Public Servants grounds for questioning the wisdom of separating the process of planning from established line departments. One official referred to the CIC as a second government in the province; others suggested that the co-ordination of line department programs and activities might have avoided some, if not all of the problems encountered by the CIC in the implementation of the Northeast Agreement. At the same time, there are grounds for suggesting that co-ordination of line department programs and activities would limit, if not impair the planning process - a process that involves time, human energy, team work, imagination, endless attention to details, trained and qualified personnel; in short, a process that requires the kind of Crown Corporation the Act provides.

There is reason to believe that this conclusion has been reached in Newfoundland. Whatever the shortcomings of the planning process in that province, there is the clear recognition that existing Departments of Government are not in themselves suited to comprehensive regional planning - with or without co-ordination. If the province decides to embark on a program of regional planning and development - and there is presently no assurance that it will - then it may be expected that the Government will at least modify the structure of the new Department of Social and Community Development to this end; it is presently unlikely, but not impossible that the Government might establish a Crown Corporation similar to the CIC in New Brunswick. This possibility has been considered in the province.

At the time of the study, the Province of Quebec had not finalized its plans concerning the implementation of a regional plan in the Lower St. Lawrence-Gaspe area.

However, the recommendations of the BAEQ and interviews with Public Servants enabled us to sketch the parameters of government policy that were emerging in the early winter of 1968.

There was general agreement that the existing organization of Government Departments and Agencies was unsuitable for regional planning. Despite reservations in several line departments, it appeared that the *Bureau d'étude sur l'aménagement régional* (BEAR) would assume responsibility for designing regional development strategy for the entire province and co-ordinate the activities of Government Departments and Agencies involved in a regional plan.

The focus of regional planning and administration, however, is to be at the regional level. In this connection, the BAEQ proposed the establishment of a Regional Development Board, composed of fifteen members, five of which would be appointed by the provincial administration. None would be appointed on the recommendation of a Regional Development Council; the elected member of the Provincial Government would hire a permanent manager.

It is proposed that the Regional Development Board be created by an act of the Legislature. It would have the status of a Crown Corporation, independent of the Public Service in respect of all its financial operations provided for in annual estimates. Government control and influence would be exercised through its appointees to the Board.

The function of the Board would be to implement a regional development plan through direct intervention and the co-ordination of the activities of line departments and government agencies at the regional level. To this end the Board would be given authority over line departments at the regional level in respect of all matters pertaining to the development plan.

To facilitate this procedure, each line department involved in the plan would be required to appoint a regional development co-ordinator who would be responsible for all department activity in the region. To ensure his authority, the BAEQ recommended that he receive his instructions from the Deputy Minister of his Department, to whom he would be directly responsible. The co-ordinator would be expected to work with the Regional Development Board and attend statutory meetings of regional co-ordinators from other Departments for the purpose of sharing information and facilitating co-operation in the process of planning implementation.

Mention has been made of a Regional Development Council. To ensure participation and consultation on the part of the regional population, the BAEQ recommended the establishment of 25 municipal development boards, three subregional development councils and one regional development council.[1]

While this brief summary of the main parameters of Quebec's approach to the implementation of regional development plans does not do justice to the range of intricacies and administrative innovations and arrangements considered by the BAEQ alone, it does suggest the general direction in which the province is moving. The essential principles are clear: the division of regional planning and administration into three levels; the provincial, regional and local. Each level will have appropriate administrative machinery to design planning strategy, co-ordinate the activities of other Departments and Government Agencies, and implement the planning strategy. It is clear that at the regional level, the proposed development board is of strategic importance, having authority to determine the policies of local municipalities within the region, co-ordinate and direct the activities of line departments involved in the regional plan. Finally, specific provision is made for the involvement of the regional population through development boards at the local level.

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[1] In addition to a regional development board, the BAEQ recommended that local reorganization of the region into 22 municipalities and 3 new special local districts.

THE CRITICAL ISSUES

(a) The Objective of Planning

The objective of comprehensive regional planning and rural development is the rational integration of the rural hinterland with the larger urban industrial society. It bears repeating and it is important to stress that the larger and changing urban industrial society is an acceptable objective. The larger society is not questioned; indeed, it is described as being "well organized and generally effective".

This assumption involves a political decision in the narrow sense, and an ideological decision in the broader sense. Moreover, it is important to recognize that a decision to refrain from discussing this assumption and decision is, in itself, a political and ideological decision.

Ideological questions and decisions of this kind cannot be escaped. There is little to be gained in pretending they do not exist, or that they can be circumspectly evaded or avoided. They have an existence independent of our own awareness and degree of sophistication. The issue is not the question and presence of ideological assumptions and decisions ; it is, rather, a question of which ideological assumptions make most sense, and can be defended and advocated with some degree of intellectual integrity.

When all is said and done, the merit of this conclusion can be judged on the basis of one criterion alone: the rural poor themselves. We, the "haves", have provided them, the "have-nots", with legislation, a program and machinery through which they can attempt, in co-operation with Government, to cope with their adjustment problems and in so doing, join the community of "haves". We know enough about rural poverty and the problems of adjustment to recognize that the process of rehabilitation is difficult, demanding, at times frustrating, and not without human anxiety. The attraction of a higher standard of living is but one ingredient in the process. There is considerable sociological insight (without sociological jargon) in the proverbial admonition: "man does not live by bread alone", even in our society. In other words, and to put it crudely, we may believe we are doing the rural poor a favour; in fact, we are, in addition, confronting them with difficult choices and demanding problems in respect of rehabilitation. Is the favour worth the effort?

We assume that it is, and because we do, we seldom, if ever, question that it is. And because we seldom question, we have difficulty in providing coherent answers - with appropriate evidence and arguments - when the question is put.

ARDA assumes that social and economic planning provides a functional and rational means through which adjustment problems in rural areas might be resolved. Planning involves, among other considerations, questioning. Is it not somewhat inconsistent that questioning stops short of examining the objectives of planning? We suggest that it is.

It is in this connection that developments in Quebec, and to a lesser extent, Newfoundland, are insignificant. In both provinces, the objectives of ARDA in respect of comprehensive regional development have been questioned. In Quebec, there is some indication that the province might consider a regional development policy that modifies the traditional dominance of the metropolis over the regional hinterland. At least, the Quebec Economic Advisory Council is currently thinking in these terms. In the meantime, the BAEQ has been obliged to propose a development plan in the absence of a provincial regional policy that challenges the objective of ARDA. The experience in Newfoundland suggests that the objective of ARDA cannot be taken for granted in each and every situation. It is questionable if the province will profit from the lesson; it is difficult to say whether other provinces and the Federal Government realize there is a lesson to be learned.

The temptation, of course, is to ignore the lesson, to take the larger society for granted, and to invite the rural poor to share, without question, our article of faith. And it is an ideological decision that is at once convenient, comfortable and presumptuous.

(b) The Question of Regional Development

The question of regional development is one of the more elusive dimensions to the FRED Legislation and the comprehensive rural development plans.

The FRED Legislation clearly speaks in terms of comprehensive planning at the regional level, with provisions for federal co-ordination and integration of regional plans with national policies and objectives.

It is equally clear, however, that national policies and objectives have not as yet challenged the traditional pattern of development in Canada: a pattern in which the industrial metropolis has dominated the development and growth of the regional hinterland.

The provisions of the comprehensive plans in Manitoba and New Brunswick, the proposals of the BAEQ in Quebec, and the experience in Newfoundland suggest that regional development may take place providing it does not interfere with what has been referred to as the faster growing regions of the country; that is, the industrial metropolitan regions and their immediate hinterlands. In view of the heavy Federal investment in Federal-Provincial Agreements concerning regional development planning, not to mention the control and influence the Federal Government has chosen to exercise in the implementation process, it may be more realistic to presently speak of national planning, with provisions for regional development and implementation; that is to say, the objective of planning is the integration of the region with the larger urban industrial society. The region is but the physical locale in which planning and development take place.

(c) The Experiment in Planning

It is important to recognize that comprehensive rural planning and regional development under FRED have been something of an experiment. The four provinces concerned have approached the planning process in a number of ways, and although experience with FRED and regional development has been brief and limited, a number of lessons are apparent.

(1) The planning process involves a number of phases: research and investigation, the preparation of a plan and development strategy, the negotiation of a Federal-Provincial Agreement and the implementation of the plan. It would appear that there is considerable merit in integrating these phases through an administrative machinery that provides some continuity in personnel. This approach has already been adopted in Manitoba and the CIC in New Brunswick has been designed to accomplish the same end.

(2) Neither the provinces nor the Federal Government has developed a system for planning and controlling the quality of research and information that goes into the planning process. Some of the provinces are of the opinion that this has been a weak link in the planning chain. It is a link that should be strengthened and corrected.

(3) The establishment of a Federal-Provincial Task Force for the purpose of preparing a development plan and strategy has been tried in Newfoundland and New Brunswick. If nothing else, this arrangement has enabled the Provinces and the Federal Government to settle many, but not all of the conflicting interests between regional needs and national policy. (The negotiation of the Agreement itself remains the court of last appeal.) This practice, however, has been questioned in Manitoba on the grounds that the Federal Government must be confronted with a thoughtful, well documented and prepared plan if the Province is to stand any chance of preserving regional needs and interests at the expense of federal policies. The Province, not the Federal Government, is aware of these needs and interests, and only the Province, not the Federal Government, can plan in terms of them. The Province of Quebec would agree. The merits of Manitoba's, or for that matter, New Brunswick's approach hang on the importance one attaches to regional development and the priorities one assigns to Federal policies.

(4) The question of orientation is critical to the planning process. The objectives of planning notwithstanding, it is clear that a social orientation is indispensable to the successful implementation of any comprehensive plan directly concerned with the lives and future of the population in the region. There is reason to believe that this orientation has not matured in New Brunswick and that many, but not all of the obstacles encountered so far, can be attributed to the "project" or "physical input" and resource orientation of the CIC.

(5) There is some support for the view that regional planning requires the housing of the administration of the process in a corporate and crown body such as the CIC in New Brunswick. The advantages are several: established line departments do not have the personnel, the orientation, the experience, nor the time to undertake the process in co-ordination of one with the other. It is one thing to involve a line department in the planning process; it is another matter to turn the process over to line departments. To date, of course, Manitoba has felt this approach is not necessary. It may be that there is not one answer to this question which is suitable

to all provinces. It is important to recognize that there is considerable variation among the provinces in the traditions and experiences - not to mention the capabilities - of traditional line departments.

(6) The involvement and participation of the local population in the regional planning process is mandatory under FRED. The question is: How much involvement is desirable, and what degree of involvement is possible? There is no clear answer to the first question. Officially, Manitoba is at one end of the continuum and Quebec at the other; one maintains that Government must assume leadership and involve the population through programs of information and assessment of the planning process; the other insists that the local community should be directly involved in the planning process through an organization such as COEB. The answer to the second question is not encouraging. There is some, but by no means conclusive, evidence to suggest that involvement tends to be confined to those individuals in the community who enjoy a stable, secure, productive relationship to the economy and society. Studies of poverty in Both Canada and the United States further suggest that low income families - in urban and rural settings - seldom, if ever, feel attracted to the kind of formal and "rational" organizational activities necessary to involvement in the planning process. The question of the participation of low income families in the planning process remains unanswered, and looms large over the entire FRED and ARDA program.

(7) It is clear that FRED Agreements call for a considerable amount of administration and negotiation. The number of projects for which the Federal and Provincial Governments must negotiate agreements staggers the imagination; the consumption of time and energy involved makes one wonder whether the end result - co-ordination - is really worth the effort in each and every instance. It is interesting to note that this provision to planning under FRED is one of the reasons why New Brunswick has decided to develop a miniplan for Northwestern New Brunswick under Part V of the Second Federal-Provincial General Agreement. This decision in itself provides sufficient grounds for questioning the administrative and bureaucratic jungle which threatens to impede, if not strangle the planning process.

(d) FRED: A Departure From Precedent

In view of the brief review of government planning in the Canadian context (in the second section of this chapter), does FRED represent a departure from precedent? The answer, in terms of the objectives of planning, is clearly no.

If FRED provides for government social and economic planning on a regional basis, it does so only in respect of adjustment problems in rural areas. There is nothing in the legislation, nor in the assumptions and concepts and experience with the program to date to indicate that the kind of planning involved will be directed to other areas, concerns and problems in the larger society.

If the Government is spending a considerable amount of public monies, it is in respect of projects which call, in the main, for social overhead capital. It may be objected that expenditures in this connection are usually generous and apply to some matters that are normally considered as private and individual responsibilities. This is not denied. Nor is it without precedent. We cite, for example, the construction of the Canadian Pacific Railway.

It would appear then that FRED has been basically designed to create an environment - if we may put it this way - in which private agricultural and rural industry might flourish, in which income and employment opportunities are available to those presently denied them, and which, in conjunction with other programs, will integrate the rural economy and community more effectively with the urban.

However, the answer to the question, as we have already hinted, is by no means clear cut. It bears repeating that the Act places considerable emphasis on the human resource, on the question of individual income and standard of living. Whether ARDA and FRED will create a situation in which "civil" rights become more sacred and important then "property" rights remains to be seen. But it is important to note that it remains to be seen.

Moreover, it is important to add that the ARDA and FRED Legislations and programs place considerable emphasis and importance on government social and economic planning, even if it is in a limited context. We know of no other Federal legislation where this emphasis and importance is so clearly spelled out and assumed. We are not saying that ARDA represents the "thin edge of the wedge"; nor are we denying that it could become so. As long as the government assumes that the larger and changing industrial society is "well organized and generally effective" there is no danger (promise) that most of the assumptions and concepts of ARDA will spread beyond the rural fringes. But if that assumption is questioned, and found wanting, then ARDA, including FRED might become a departure from precedent.

CHAPTER VI

CONCLUSIONS

SUMMARY

Introduction
ARDA - A Development Model
The Question of Regional Development
Comprehensive Planning
Participation in Planning
Planning and Bureaucracy

INTRODUCTION

The purpose of this study and report has been to provide a basis and a frame of reference for a critical examination and discussion of ARDA Legislation, programs and rural development.

The assumptions and concepts underlying the federal legislation, the response of the provinces, the range of, and variation in provincial programming and the experiment with comprehensive regional rural development have been examined and discussed. The critical issues in respect of each of these matters have been delineated and stated at the end of the relevant chapters.

Taken together, the many facets of ARDA deserve comment. It is to this task that we now turn. Two observations are in order. First, we once again draw attention to the limitations of the study discussed in Chapter I. In particular, we remind the reader that ARDA has proven to be an on-going process and experiment. Several developments - mentioned in Chapter I - have already dated some of our evidence. Second, the commentary that follows reflects the views and interpretation of the author. Although we have benefited from the experience and insight of many Federal and Provincial Public Servants, the conclusions discussed below are our own.

ARDA - A DEVELOPMENT MODEL

There can be little doubt that comprehensive regional planning and development under FRED since 1966 has overshadowed the more conventional, ad hoc, resource oriented programming of an earlier period. Nor can there be any doubt that the FRED Agreements in New Brunswick, Manitoba and Quebec have more effectively embodied and articulated the assumptions and concepts of the 1961 Federal Legislation.

It would be a mistake, however, to discount the future value of the more conventional ARDA programming.[1] It is obvious that there are some natural resource and rural problems that lend themselves to a more modest, ad hoc, project approach. Indeed, the Province of Ontario has demonstrated considerable skill in dealing with problems of this kind and in this manner. Moreover, the experience in New Brunswick with the Northeast FRED Agreement has demonstrated the value of experimenting with development processes on a smaller scale: at the "area", rather than the regional level.

At the same time, it is clear that neither ad hoc, physical-human resource oriented projects, nor experimentation with development processes at the "area" level is the answer to deep rooted rural poverty and regional disparities within the nation. Given the scope and persistence of these problems, one must inquire whether the FRED Agreements under ARDA provide the kind of development model that displays some promise in resolving them.

It is our conclusion that the question cannot be answered with a yes, nor a no, but with a "maybe". On the one hand, the FRED program and agreements to date represent a constructive opening chapter in a public attempt to cope effectively with rural poverty and regional disparities. On the other hand, the assumptions, concepts, and experience with this development model leave something to be desired. Unless several important changes in approach and planning processes are undertaken, the shortcomings in the present arrangements will add to, rather than resolve the problems they were designed to solve. Not only will the plans fail in their objective; public dissatisfaction and disappointment with the programs in question may well create a hostile atmosphere to public planning of any kind: a prospect no one in this country can afford.

In the remaining sections of this chapter, we propose to develop the arguments on which this conclusion is based.

THE QUESTION OF REGIONAL DEVELOPMENT

The assumptions and concepts of the 1961 ARDA Legislation advocated a program of regional development that would allow for rural or regional adjustments to, and integration with the larger changing, urban, industrial society.

The 1966 FRED ammendment to the 1961 Legislation modified this integrative approach in specifically providing for the development of regions in which there was, as a result of resource endowment of one kind or another, the possibility of economic growth.

In 1965, the Economic Council of Canada suggested a guideline for regional development.

> "Efforts to promote more regionally balanced growth should be aimed at achieving a more rapid increase in the incomes of the lagging regions by methods which do not retard the development of the faster growing regions of the country."[2]

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[1] The reference is to projects and programs developed under the First and Second Federal-Provincial Rural Development Agreements.

[2] Towards Sustained and Balanced Economic Growth, Second Annual Review, Economic Council of Canada, December 1965, p. 176.

It is important to note that the Council is prepared to sanction regional planning and development so long as the process does not interfere with "...the development of the faster growing regions of the country".

However, by 1968, the Council has reviewed its guideline for regional development in the light of its own penetrating study of poverty and regional disparities. In the Fifth Annual Review, the Council suggests a regional development policy that emphasized the improved utilization of manpower resources, raising the level of productivity, assuring the adequate expansion of growth-related public services and the stimulation of innovation and the application of new technology within designated regions that lag behind the faster growing regions of the nation.[1] The problem of reconciling the development of lagging regions with the growth of faster growing regions in the nation remains. The Council's comments on this matter are interesting:

> "there would be no difficulty if the means adopted to accelerate the rate of growth of income per person in the lagging regions would simultaneously raise the national rate of economic growth. There are good reasons for doubting that such an outcome is probable under all circumstances."[2]

Of equal importance is an observation contained in a study of interregional income disparities undertaken by the Economic Council in 1966. Noting the persistence and consistency of regional disparities over a period of some forty years, Chernick comments:

> "It may well be ... that the growth rate recorded at the national level is itself related to the nature of the interregional distribution (of income). Indeed, the exact nature of this relationship is a subject of some controversy. ...Among the possible relationships is one in which an increased degree of regional participation is obtained with a slower rate of national economic growth or lower average level of income ... If this were the case, government policies aimed at increasing regional participation would have to reckon with the possibility that a "cost" in the form of a reduced rate of national growth is involved in achieving this objective."[3]

Leaving the Legislation and the Economic Council's guidelines aside for the moment, let us review once again the actual experience with the FRED Agreements to date. It is clear that the commitment to regional planning and development cannot be taken for granted. At one end of a continuum is Manitoba where the Federal-Provincial Agreement places emphasis on programs within a region aimed at adjustments and integration of the region with the larger society; at the other end of the continuum is Quebec, where the proposal for the development of the Lower St. Lawrence calls for a development policy that is consistent with the needs and resource potential of the region itself.

In view of the Legislation, the ECC guidelines, and the regional programs considered in this study, it is apparent that the question of regional development is something of a paradox. It is one thing to speak of the development of regions, with provision for the national co-ordination of programs; and another thing to speak of the development of regions for the purpose of adjustment and integration to something else.

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[1] The Challenge and Growth of Change, Fifth Annual Review, Economic Council of Canada, September 1968, Chap. VII, pp. 177-180.

[2] Ibid., p. 178

[3] S. CHERNICK, Interregional Disparities in Income, Ottawa: Economic Council of Canada Staff Study #14, 1966, p. 5-6.

The question follows: which way should ARDA go? The Economic Council has consistently drawn attention to the possibility that a vigorous and imaginative regional development program might resolve the problems of the lagging regions at the expense of the faster growing regions of the country. Yet, in the Fifth Annual Review, the Council is prepared to advocate a program of regional development - in the proper sense of that term - that is, consistent with a federal program aimed at achieving a balance of regional growth across the nation.[1] In this connection, the Council is suggesting that we presently lack both, and we concur.

Some additional remarks on this matter might serve to illustrate the point. A concept of regional development that calls for the adjustment and integration of lagging rural hinterlands to a changing urban industrial society is surely deserving of criticism. While it is tempting to account for regional disparities in terms of the absence of resource endowment and/or the absence of a market for the regional resources in question, the fact remains that in many, if not all cases, we are dealing with regions that are endowed with resources and have, in terms of market considerations, growth potential. The income disparities are rather a result of the relationship between the hinterland and the metropolis - a relationship in which the former is functional, yet subordinate to the growth of the latter.[2]

It may be objected, nevertheless, that the economic cost of disrupting this relationship in favour of greater regional development and decentralization of the population is too great; that the regional disparities that result from the kind of development dominated by the changing, industrial metropolis is the price one must pay for overall growth and standards of living.

To accept this argument one must be prepared to acknowledge the economic and social viability of the metropolis itself. And this we are not prepared to do. The industrial metropolis is many things, including planned congestion, the poisoning of the air and contamination of water, incredible transportation bottlenecks, the planned and unintended waste of public monies, natural slums and planned slums, the irrational and expensive use of space, the further, continuous and unnecessary concentration of secondary-tertiary industry, the formidable concentration of population and the establishment of political communities that alienate, rather than involve the population. If one defines the city as a creative community, a community which provides for and encourages the meeting and interaction of different tastes, traditions, styles of life and points of view, then we are not speaking of the changing Canadian metropolis we are coming to know: a community of increasing numbers of people who never meet, where different styles of life become isolated, where human creativity and sense of community are slowly choked and smothered in the oppressive concentration of human beings and artifacts.[3] These are but some of the more glaring characteristics associated with a social and economic community that at once dominates the regional hinterland, and causes in many, if not all cases, regional income disparity.

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[1] The Challenge of Growth and Change, Chap. VII.

[2] See, for example, A. GREEN, Regional Aspects of Canada's Economic Growth: 1890-1929 Canadian Journal of Economics and Political Science 33, May 1967.

[3] See L. MUMFORD, The Culture of Cities, N.Y.: Harcourt, Brace & World, Inc., 1938, Chap. IV.

A policy of regional development that calls for the more effective integration of underdeveloped regions with the larger changing urban and industrial society of necessity accepts the domination of the latter over the former; it assumes the subordination of regional needs to metropolitan interests. In short, it proposes to strengthen and perpetuate the traditional relationship between the metropolis and hinterland; it does not propose to change it.

It is our opinion that a regional development policy of this kind is no solution at all. The need for a development strategy that emphasizes indigenous regional development and encourages an interregional balance of growth is apparent.

COMPREHENSIVE PLANNING

Related to the concept of regional development is the assumption that the market mechanism alone has proven inadequate in stimulating regional growth and eliminating regional disparities. ARDA proposed a strategy of government planning; in particular, the 1966 FRED amendment calls for comprehensive planning.

There can be no question that the FRED agreements to date have attempted to approach problems within regions associated with social overhead developments in a comprehensive way. The provisions - in the main - for education, upgrading of skills, manpower mobility, resettlement, housing and new communities, and new transportation networks have been both well thought out and comprehensive in scope.

But development does not end with social overhead considerations and investments. Problems associated with alternative land and resource use, the re-organization of production relationships, the exploitation of new resources and the development of secondary and tertiary industry in association with same are also important. Here, as was pointed out in the previous chapter, the comprehensive nature of the planning proposals is by no means uniform among the provinces, nor adequate in every case.

A more serious criticism concerns the relation between the comprehensive nature of the planning proposals and the concept of regional development. If ARDA chooses to advocate a development model which provides for the integration of rural lagging hinterlands with the changing industrial metropolis, the present scope of the planning proposals in most cases is not a basic issue. But if ARDA chooses to advocate a development model which calls for a vigorous and imaginative program of regional development, the present planning proposals in most cases do not go far enough.

A strategy of regional development appropriate to the Canadian situation involves a number of considerations. To mention but a few, it challenges the traditional relationship between hinterland and metropolis, modifying in some cases and removing in others, the dominance one "region" has exerted over the other. An attempt is made to influence investment and manpower allocation decisions that complement market considerations; decentralizing industry and employment in certain regions and encouraging its development and growth in others. A national strategy of regional development and balanced growth is, to us, inconceivable in any other terms.

Decision-making and administration will clearly involve at least three distinct, yet related, units: a federal unit, a provincial unit and a regional unit. A viable and effective distribution of power and authority among the three units will have to be worked out over a period of time. Experimentation and experience will be crucial in this connection. Moreover, provincial, no less than regional boundaries are an open question. For example, it is quite conceivable that the territory presently encompassed by the three Prairie Provinces could be administratively reorganized into a number of regional units within one provincial unit.

These considerations by no means exhaust the necessary ingredients in the development strategy we envisage. They do, however, suffice to point to the present inadequacy in the scope of the current FRED planning proposals. If planning is to be comprehensive - and we suggest it must - then the proposals and programs in question must go beyond the designated region. The control of development within a region must be complemented by the control of related developments outside of the region, at a provincial and ultimately at a national level. In terms of these considerations, regional planning, through FRED, is by no means comprehensive.

PARTICIPATION IN PLANNING

So far, we have been discussing questions related to the broad strategy of regional development and comprehensive planning; that is, the focus and scope of the planning process under ARDA.

One of the important and unique conceptions of this planning process is the provision for participation of the regional population in the planning process itself, a provision that is mandatory under the 1966 FRED amendment.

In previous chapters, we considered evidence that tentatively suggests the indigenous poor in designated regions have not become involved in the planning process, despite efforts to solicit their interest and support. Involvement, rather - which has varied between the provinces - has largely been confined to middle class individuals residing within the region.

In our discussion with Senior Public Servants, there was no question that the fate of regional planning and development - regardless of how inadequate one may consider it to be - hinges in no small measure on the understanding of and commitment to the planning process by individuals residing within the region. Although it was never put this way, one may consider the regional population as possessing considerable power: power to compromise, thwart and undermine the planning process through nothing more than sheer indifference.

Studies suggest that the rural middle class is amenable to the planning process. The problem is ARDA is confronted with regions noted for their concentration of low income families. The fact that families of this kind have not been involved in the planning process is alarming. The basic question is, why?

In a special sense, poverty is a difficult issue to comprehend. It refers to a relative state of affairs. The rural poor of Canada today enjoy an affluent standard of living in comparison to the rural peasants of 18th century Europe. It is in comparison to the standard of living of rural and urban middle income families in Canada today that we may speak of low income families in terms of poverty.

Poverty is at once an economic and social phenomenon. It may be considered to obtain when an individual's relationship to the economy is such that he does not enjoy a "reasonable" income and standard of living.[1] The economic consideration alone, however, is not a sufficient explanation. Human beings are not lumps of plasticine, shaped and molded by forces beyond their power and consciousness. They react to the situation in which they find themselves. And it is in terms of this reaction to their economic relationships that poverty must be further understood.

Consider an agrarian example. We can think of rural families who are poor, in the economic sense of the term, but display, nonetheless, characteristics we tend to associate with larger and middle income farm families. They tend to be good farm managers; they plan for their family and economic life; they postpone the satisfaction of immediate needs in favour of long term objectives; they become involved in voluntary organizations in the community; they believe themselves to be anything but helpless or dependent; they retain a rather naive faith in their own ability to get themselves out of their economic predicament. Their low income, in brief, derives from their lack of access to sufficient resources rather than some shortcoming in their managerial competence.

Contrast this kind of response to economic circumstances with the hypothetical individual who has no apparent managerial skill; who does not, and seems unable to postpone immediate gratification; who does not plan his family and economic life; who tends to avoid participation in voluntary organizations in the community; who comes to feel helpless and dependent on social welfare handouts; who accepts, with quite resignation, "things as they are".

It is in terms of this hypothetical individual that we may speak of the social dimension to poverty; a situation in which the economic relationship gives rise to, and then sustains a way of life that is - in a strange way - appropriate to the economic relationship itself.[2]

The question follows: how does one involve low income families that display these social characteristics in the planning process? Put another way, how does one involve a family that has had no experience with rational planning in the home, that is a stranger to the activities and experiences of formal, voluntary organizations in the community, that displays little habit for the postponement of the satisfaction of immediate needs, in a public planning process that requires acceptance of and familiarity with all three?

While we feel unable to answer our own question in a definitive way, we dare to suggest several guidelines, and at the same time, raise but another problem. First, the guidelines. The problem of involvement and participation is of strategic importance and, in so far as it relates to the poor, must be approached in an experimental way. The process of experimentation will require a considerable investment in money, human resources, patience and ingenuity. It will further require the sharing of information, experience and results between provinces.

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[1] The"reasonable" criterion of income and standard of living is the relative component to the definition of poverty. The criterion of reasonableness varies from society to society, and from one historical period to another.

[2] It is customary to think of the middle class as enjoying a style of life appropriate to their income; we allow that the idle life is suitable to those of wealth. In the same way, we may think of the culture of poverty - for this is what we are talking about - as being "appropriate" to the income and standard of living endured by the poor.

The aim of experimentation should be the involvement of the regional poor in a new network of relationships and experiences that erode the social and economic underpinnings of what we may call a culture of poverty.[1] This requires designing methods and opportunities that encourage the development of a new outlook on life; new ways of defining one's situation; new habits and new skills. It may be that the youth in rural regions will prove more amenable to change in this respect than their parents. It is not without irony that the young in depressed regions are too readily considered as candidates for out-migration. In any event, economic relationships which provide low incomes must be replaced by economic relationships that improve income; habits and attitudes which resist the discipline of planning and engender a sense of helplessness and despondency must be replaced by habits and attitudes that lend themselves to the formalities and rigors of planning and encourage a commitment to "making bricks without straw".

The challenge is formidable and we do not underestimate the difficulties involved. In this connection, a noted American anthropologist wrote:

> "Along with disengagement from the larger society, there is a hostility (among the poor) to the basic institutions of what are regarded as the dominant classes. There is hatred of the police, mistrust of government and those in high positions, and a cynicism that extends to the church. The culture of poverty thus holds a certain potential for protest and for entrainment in political movements aimed against the existing order."[2]

It is not without irony that the involvement of the poor in the planning process might be conditional upon the mobilization of low income families in terms of a social movement: a movement that at once attacks the status quo and provides the poor with a new ideology and source of identity. Again, a reference to Oscar Lewis is appropriate.

> "...any movement - be it religious, pacifist or revolutionary - that organizes and gives hope to the poor and effectively promotes a sense of solidarity with larger groups must effectively destroy the psychological and social core of the culture of poverty. In this connection, I suspect that the Civil Rights movement among American Negroes has of itself done more to improve their self-image and self-respect than such economic gains as it has won, although, without doubt, the two kinds of progress are mutually reinforcing."[3]

Perhaps there are other ways. If not, the commitment of Governments both Federal and Provincial - to eradicate rural poverty and remove regional disparities will be sorely tested.

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[1] Although these remarks are directed to the considerations of the poor, we in no way imply that middle and high income families in a designated region should be excluded from the planning process. In their case, experience has shown that involvement is not a problem of the same magnitude and kind.

[2] O. LEWIS, The Culture of Poverty, Scientific American, 215, October, 1966, p.23.

[3] Ibid., p. 24.

PLANNING AND BUREAUCRACY

Related to the focus and scope of planning, and the question of the involvement of the regional population in the planning process, is the matter of program implementation. In particular, the organizational strategy for the implementation of a plan is of critical importance.

In the previous chapter, we reviewed the organizational strategies of the several provinces attempting or proposing to implement comprehensive regional development plans. There would appear to be two choices: the one employing existing government machinery through a process of co-ordination, and the other establishing new machinery to work in conjunction with government line departments.

We question whether there is really a meaningful choice between these two alternatives. Common to both is an organizational strategy that can be summed up in one word: bureaucracy.

The very word suggests a nightmare of red tape; an organizational jungle that generates its own needs and establishes its own "iron law" of operation: neither of which seem to have any apparent relationship to the task it was commissioned to perform.

There is some truth to this popular image of bureaucracy. However, the popular conception can be misleading. Bureaucracies can be efficient, at times, ruthlessly and inhumanly efficient. More to the point is the organizational principle involved, namely, the rational integration and co-ordination of an intensive division of labour and authority; a process that attempts to meet and anticipate needs and problems in an orderly and systematic way.

The proposals of the BAEQ in respect of the implementation of their regional plan are a case in point. The Regional Development Board, the description of its function and composition, its relationship to other Government Agencies and Departments are all part of a rational, systematic organizational blueprint that is bureaucratic in essence.[1]

In the last analysis, organizational strategies are of little importance in themselves. More important is the nature of the problem an organizational strategy is designed to meet.

Many of the inputs to the comprehensive development plans and proposals we have reviewed in this study are provided, or can be provided by established Government line Departments and Agencies. For example, the construction of new roads, the building and servicing of new schools, the design of manpower upgrading programs, farm consolidation programs, farm management courses, the design of industrial parks, labour mobility programs and so on, are all inputs that can be provided through an established line Department or Government Agency. We recognize that in some line

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[1] To avoid any unnecessary misunderstanding, we are using the concept of bureaucracy in the descriptive sense. No value judgment is intended.

Departments, radical changes will have to be made in personnel and department orientation.[1] Moreover, Departments will have to be prepared to decentralize their activities and administration at the regional level. The proposals of the BAEQ in this regard seem promising. Nevertheless, the organizational principle involved remains: a bureaucratic strategy lends itself to activities of this kind.

However, the actual process of planned intervention in a region, by which we mean the development of a planning strategy at the regional level, the assignment of program priorities, the initiation, if not the actual administration of programs and the co-ordination of numerous programs and department activities, is a problem of a different order. There are no precedents in Government for this kind of activity. There is no precedence for involving a regional population in the planning process; a task, as we have noted, that presents formidable obstacles.

These kind of problems do not lend themselves to a bureaucratic strategy. In view of the lack of experience and trained personnel, the design of a rational organizational framework that designates a division of labour and authority would be nothing short of folly. The problem requires a flexible approach, an experimental approach, an approach that is free of the kind of bureaucratic restrictions imposed by the present FRED Agreements, an approach that allows mobility and affords close and immediate contact on the part of the planners with the regional population. These are the ingredients, among others, that must be included in an organizational strategy appropriate to the problem and task of planned intervention.

* * *

With all its false starts, shortcomings, and limitations, ARDA has made a constructive and promising beginning in a public attempt to come to grips with rural poverty and regional disparities.

The ultimate success of the program will depend upon the choices made in the future. If Governments are content to accept the domination of the metropolis over the rural hinterland and define solutions to regional disparities and rural poverty in terms of adjustment and integration; if the involvement and participation of the regional population in the planning process receives but token consideration; if new organizational strategies for planned intervention fail to materialize, then we dare to suggest that all the effort, the enormous investment in public monies, the expectations that have been and will be aroused, will bear disappointing results.

It is imperative that Governments embark on a regional development program in the proper meaning of the term. The degree to which one chooses to disperse population, capital investment, and industry is a debatable question. The suggestion by the

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[1] For example, some Departments have acquired a tradition of ineptitude in providing but the simplest of services. Others resist any suggestion to co-ordinate their programs with those of other Departments. Decentralization of administration is but another unpalatable task for some Departments.

Executive Director of the Quebec Economic Advisory Council to achieve a balance between the present concentration of capital, industry and population and wide dispersion has appeal.[1] In any event, the traditional relationships between the metropolis and hinterland must be altered. Programs designed to develop depressed regions having growth potential must be complemented by programs designed to modify the pattern of growth and development of the faster growing regions.

It follows that planning must be comprehensive, not simply in terms of taking into account the many and varied social-economic factors in a development region, but comprehensive in terms of integrating the development of one region with planned changes in another.

This, of course, raises a constitutional question. The agenda for the current series of constitutional conferences is no doubt overbearing. We hesitate to suggest yet another item. Nevertheless, the kind of comprehensive planning we envisage will require the eventual change in and redistribution of power and responsibility among the Federal Government, the Provinces (the boundaries of which may change), and a new unit of government and administration - the region. The time to consider the question is now.

A strategy for planned intervention in regional development and the involvement of the regional population in the planning process has yet to be discovered. In this connection, the experience, the insight and the proposals of the BAEQ cannot be taken lightly. Of all the provinces, Quebec appears to have gone farther in terms of imaginative innovation - at least as far as the Lower St. Lawrence-Gaspe region is concerned. Nevertheless, we would point out once again that the involvement of the rural poor in the planning process has not been fully realized; in our opinion, a development strategy for planned intervention and involvement of the poor in the planning process - must be resolved through experimentation with new organizational strategies. The principle of bureaucracy is not irrelevant to the planning process, neither is it alone sufficient.

None of these conclusions - even if they prove to be acceptable - can be realized overnight. Taken together, they envisage a radical change in and transformation of the traditional pattern of growth and development in the country. Historical change of any significance can be a dramatic, yet long and painful process. Through ARDA, a beginning has been made. The future is at once uncertain and exciting.

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[1] R. PARENTEAU, op. cit., esp. p. 150-152.

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